THIRD FIVE-YEAR DEVELOPMENT PLAN

1971/2—1975/6

FUND
Washington, D.C. 20431

PREFACE BY
H.E. THE PRESIDENT OF THE REPUBLIC OF UGANDA
GENERAL IDI AMIN DADA

Over the past 12 months, my Government has carried out a comprehensive data collection and other work connected with the preparation and production of the Third Five-Year Development Plan. This Plan should have been published in July, 1971, but this was not possible because it was necessary, after the Military takeover, to revise the draft Plan in accordance with the policies of my Government. The economic policies of the former Government were based more on political considerations than on practical realities.

This Plan is a comprehensive document embracing development proposals in all sectors of our economy, and it is designed to benefit all sections of the community; particularly rural areas which in the past tended to be neglected.

The Plan, however, rests on the assumption that every able bodied person in this country will play his role effectively in its implementation. I have, therefore, great pleasure in commending it to you.

GENERAL IDI AMIN DADA,
President of the Republic of Uganda.

NOTE

Where "Ministry of Animal Industry, Game and Fisheries" occurs, it should be amended to read "Ministry of Animal Resources".

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SUMMARY OF MAJOR PLAN TARGETS

In line with the major objectives of national development policy, the following are the main specific targets for the Third Five-Year Development Plan, and the long-term goals to which some of them relate:

1. *Production and Incomes*

(i) Monetary gross domestic product (measured at factor cost and 1966 prices) is planned to reach Shs. 7,025 million in 1976, representing a growth rate over the period 1967/69–1976 of 5·6 per cent per annum.

(ii) By 1976, monetary gross domestic product is expected to constitute 72 per cent of total output.

(iii) Agricultural production in the monetary sector is planned to grow by 4·8 per cent per annum. Self-sufficiency in staple food crops will be maintained.

(iv) Industrial production is planned to grow by 7·6 per cent per annum.

(v) The shares of agriculture and industry in monetary gross domestic product are estimated to be 33·8 and 14·2 per cent, respectively in 1976, and are expected to be approximately equal by the end of the century.

(vi) Total electricity generating capacity will be expanded by at least 20 MW over the Plan period.

(vii) Total exports are planned to grow by 4·8 per cent per annum between 1967/69 and 1976.

(viii) Total fixed investment in the monetary sector over the Plan period, 1971/72–1975/76, is estimated at Shs. 7,700 million, of which the share to be borne by the public sector will be 51 per cent. Government development spending is estimated at Shs. 3,200 million. The growth of Government recurrent expenditure will be held to a level not exceeding 7·2 per cent per annum.

(ix) Gross national disposable income per capita, and consumption per capita, are expected to grow in real terms by 1·6 and 1·5 per cent per annum, respectively, over the period 1967/69–1976.

2. Human Resources ... ... (i) The rate of natural increase of population is expected to be about 3 per cent per annum by the end of the present decade.

(ii) The number of Ugandans in paid employment is planned to grow to 380,000 by 1976.

(iii) Effective Ugandanisation of all paid jobs will be achieved by 1981.

3. Tourism ... ... The number of tourists visiting Uganda in 1976 is expected to be 180,000.

4. Roads ... ... 5,300 kilometres of main, access and feeder roads are planned to be constructed or otherwise upgraded.

5. Water ... ... (i) 1,500 boreholes will be constructed during the Plan period, as a step towards the target of 12,500 boreholes in the country by 1986.

(ii) Seventy-eight water supply and sewerage systems will be installed or expanded in towns and urban areas during the Plan period, in line with the perspective goal of securing an adequate water and sewerage system for all urban populations by the year 2000.

6. Health ... ... (i) Over the Plan period, Government hospital bed capacity is planned to increase by 3,400. It is intended to achieve, in the early part of the coming decade, a ratio of two hospital beds per 1,000 of population.

(ii) As part of the programme of providing a rural health centre in every gombolola by the end of the century, it is planned to construct 72 centres during the Plan III period.

7. Education ... ... (i) The target for P.1 intakes into grant-aided schools in 1976 is 183,000. Total primary school enrolments will be over 1 million in 1976, about 54 per cent of the primary school age group. It is expected that universal primary education will be attained soon after the year 2000. Intakes into Primary Teacher Training Colleges will increase to 3,200 by 1976.

(ii) The S.1 intake in 1976 will be 11,350.

(iii) The S.5 intake in 1976 will be 2,300.

(iv) The intake of Ugandans into Makerere University in 1976 will be 890.

(v) The intake into full-time Government commercial, vocational and technical institutions in 1976 will be 2,700.

8. *Literacy* ... Enrolments in the National Literacy Campaign are planned to grow to 50,000 per annum, and universal adult literacy will be achieved by the year 2000.

9. *Law and Order*

(i) The Police Force will be expanded by 9 per cent per annum over the Plan period, as a step towards achieving a ratio of one policeman per 600 people by 1981.

(ii) It is planned to establish twenty police posts during the Plan period, in line with the ultimate objective of one police post in every gombolola by the end of the century.

PART ONE

Chapter One

DEVELOPMENT MANIFESTO

1.1 Uganda's development effort is directed at one overriding objective, amely, to enable every citizen of this country to enjoy the maximum level of conomic and social welfare consistent with increasing national economic ndependence. With this supreme end in view, the specific goals of Government's economic policy are:—

1. Securing a rapid, steady and sustained expansion in the per capita production of goods and services, and such transformation of the structure of the economy as will facilitate this expansion.
2. The Ugandanisation of the economy in the most rapid and orderly fashion possible.
3. Promoting a more equitable distribution of incomes and wealth among all sections of the nation's population, particularly through emphasis upon rural development.
4. Generating a substantial increase in employment opportunities.

1.2 In this Manifesto, the national development objectives enumerated above re elaborated, and the basic strategy underlying the detailed proposals of lan III is outlined. Thus, the Manifesto defines the guiding principles of conomic and social policy in Uganda over the next five years.

I. Objectives

. *Production and Structural Transformation*

1.3 The most serious socio-economic problem facing Uganda at present is the ery low level of total and per capita incomes. The level of incomes enjoyed the citizens of Uganda depends, essentially, on the volume of goods and rvices which they produce for sale or direct use. Consequently, the alleviation poverty requires, first and foremost, an increase in output; and this is the rimary objective of Plan III. The availability of goods and services is the urce and yardstick of material well-being. Moreover, in the long run, the tainment of a rapid and sustained growth in output is the surest guarantee r the realisation of the other objectives identified in paragraph 1.1 above.

1.4 It is not enough that output grows rapidly and steadily over the period the Plan. Planning in Uganda is not geared merely towards securing mediate increases in output and incomes, but also towards the laying of a undation which will ensure that, in the long run, growth can be sustained rough forces that are endogenous to the economy.

1.5 Despite efforts made in the past to ameliorate the situation, Uganda's economy is still heavily dependent upon caprices of the weather and of the world market. This is mainly due to the continuing excessive dominance of coffee and cotton in the country's total economic activity coupled with the fact that these two crops are grown almost exclusively for export. Quite apart from the disruptive effects on economic activity, it is also a matter of concern that the burden of these fluctuations is substantially borne by the rural population, who occupy the lowest rung on the economic ladder.

1.6 The mitigation of the whimsical influence of the weather and the world market on economic performance and welfare calls for a structural change in the country's economy, in the form of further diversification. In addition to being the major weapon against the harmful effects of unpredictable fluctuations, diversification will also be greatly relied upon for promoting overall growth. In the past, growth has been generated mainly by the major export crops. Now, however, with the limited market prospects for these crops, further growth has to depend increasingly on the promotion of non-traditional economic activities. The importance and urgency of bringing about deep-seated changes in the productive structure of the economy are such that, in Plan III, diversification is to be pursued as an objective inseparable from the pursuit of increased production and real incomes.

1.7 Another unsatisfactory aspect of the structure of Uganda's economy is the fact that a very substantial proportion of total productive activity takes place in the non-monetised subsistence sector. This sector has, up to now, performed the important function of supplying the bulk of the country's food requirements. By definition, however, subsistence production is limited to the direct consumption requirements of the producer and it does not, therefore, lend itself readily to techniques aimed at promoting productivity. The existence of a large subsistence sector is thus an inhibiting factor or, at best, a passive one as far as economic growth is concerned. Subsistence production suffers from other serious drawbacks as a means of feeding the country's population. One of these is the fact that as long as every family relies on its own production for all its food requirements it cannot possibly be feeding itself adequately from a nutritional point of view. Considering the many inimical implications of a large subsistence sector for economic growth and material welfare generally, it is an objective of Uganda's development effort to continually expand the range of market production and monetary exchange until the subsistence sector is finally reduced to very minor proportions.

B. *Ugandanisation*

1.8 It is vitally important for Uganda to minimise any adverse implications of the dependence of her economy on external support, and, in the long run, to reduce the degree of such dependence. Excessive dependence is undesirable for two main reasons:—

(i) it is incompatible with the consolidation of our political sovereignty; for, until Ugandans have effective control over their own economic destiny, their political independence will remain susceptible to all manner of external interferences and its very survival may be endangered;

(ii) in the practical circumstances of the world today, it would be naive to expect external economic support to be forthcoming always at the time it is most needed, in an adequate volume, and on the most suitable terms for Uganda's development requirements.

1.9 The dependence of Uganda's economy on foreign support is manifested in three main respects:— the ownership of productive enterprises in Uganda by foreigners, the use of foreign manpower and finance in the public and private sectors, and the intimate link between our external trade and overall economic performance. The long-term objective is to ensure that none of these phenomena attains alarming proportions. It is equally important, and of more immediate relevance to Uganda's circumstances, to make certain that these factors do not operate in such a manner as to hold the country's development and independence at ransom.

1.10 In absolute terms, the total level of direct foreign investment in productive enterprises in Uganda is still below what could be absorbed with benefit to the country's development. Room remains for the expansion of the contribution of foreign investment to our national development effort, and such an expansion will be encouraged. However, direct foreign investment is not to be allowed in a limited number of activities which must be owned and managed solely by the State. The activities falling within this category of State monopolies are defined in paragraph 1.78 of this Manifesto. Beyond this, it is Government's aim to ensure that direct foreign participation in productive activities is undertaken in consonance with the country's overall development priorities, and, to the greatest extent possible, in collaboration with local enterprise in such a manner that effective control over the activities in question increasingly rests with Ugandans.

1.11 Uganda will resort to official foreign financial assistance only if this is offered with genuine good will, on formal terms which do not constitute excessively burdensome financial commitments for the future, and if it involves no undue interference with the country's objectives and development priorities. Uganda will continue, through bilateral and multilateral discussions, to seek improvement in the terms and other circumstances attending official foreign assistance. We will aim at increasing the diversification of our sources of this type of foreign assistance with a view not only to reducing the degree of unpredictability but also to reaffirming our non-alignment and independence in international political and economic relations.

1.12 We will continue to accept and welcome foreign personnel who can provide us with crucial skills and who are prepared to serve Uganda loyally. However, Uganda must ultimately be run by Ugandans. Moreover, the Ugandanisation of jobs is an obvious and legitimate instrument for expanding employment opportunities available to citizens of the country. In view of all this, it is a specific development goal to achieve effective Ugandanisation of all jobs in Uganda by the early part of the coming decade.

1.13 Regarding the economic dependence arising from our external trade, the objective is to reorganise our external trading arrangements so that our economic prosperity is rendered less and less subject to the whims of particular foreign customers and suppliers.

1.14 In general, the objective of Ugandanisation means the achievement, in the long run, of increased reliance on our own human and financial resources for development, the assurance of more effective control by Ugandans over productive activities, and the ability to conduct our economic transactions with the rest of the world on the basis of mutual benefit and respect. The objective requires the establishment of an economic order where the Ugandan community as a whole has such effective participation in economic activity that, in total, the character and growth of the economy fully reflects the wishes of the community.

C. *Income Distribution*

1.15 Although the situation may not be as bad as it is in many other countries, there do exist in Uganda undesirable disparities in the income and wealth of various sections of the community. The elimination of such disparities is the true meaning of economic and social justice, and is therefore, a prime concern of development policy. Obviously, a situation cannot be allowed to develop where any increase in the total national wealth accrues exclusively or predominantly to certain minority groups. Even more, the objective is to ensure that as development takes place there occurs, simultaneously, a progressively more even distribution of wealth among all sections of the community. This means that the relative economic status of the lower income sections should improve in the context of overall economic growth.

1.16 Significant inequalities in the distribution of income and wealth are not only morally repugnant but they also militate against the orderly evolution of our society. Further, they lead to distortions in the structure of the economy such that growth itself may be stifled. A redistribution of incomes in a more egalitarian manner will stimulate the market for the more basic goods and services which Uganda produces or can easily produce. It would also concomitantly reduce the strain on the country's foreign exchange resources.

1.17 The immediate goals in the promotion of economic and social justice are:—

(i) to assure *every individual willing to work* some minimum material welfare in the form of the essential life needs (food, clothing and shelter) and access to the basic social services of health and education;

(ii) to bring about a significant rise in the level of material welfare in rural areas, thus reducing the disparity between the standard of living in the towns and that in rural areas. This disparity is perhaps the most inequitable feature of income distribution in Uganda at the moment, and its redress is therefore the most urgent task in the promotion of economic and social justice. The rural sector which harbours the bulk of the country's population also provides the main source of growth for the rest of the country. And yet the level of economic and social welfare in rural areas continues to lag far behind that enjoyed in urban areas. This anomalous situation must be corrected, not only because of its inherent inequity but also in order to stem the massive drift of the population to urban areas where they cannot all be absorbed into fruitful employment;

(iii) to secure more balanced development among the different geographical areas of the country. Even a casual examination of the economic geography of Uganda reveals that the level of economic prosperity varies considerably from district to district. The requirements of national cohesion dictate that the various regions of the country should enjoy comparable standards of living. Since it is obvious that no area of Uganda is rich enough to truly afford any sacrifice in its absolute standards of living, corrective action in the pursuit of balanced regional development is to be undertaken with regard only to the relative growth of the different regions.

1.18 Although there are regional aspects to the income distribution problem, the true objective of policy is to promote a more equitable distribution of incomes and wealth among individuals. It would hardly be any improvement to achieve comparable average incomes in the various districts if this is associated with greater income inequalities between the richest and poorest within each district or over the nation as a whole. While it is true that to the extent that personal inequalities are ironed out regional inequalities are also automatically resolved, the converse is not true. The reason why attention is drawn to the regional aspects of the problem is that it so happens that particular regions harbour a relatively large share of the country's low-income or high income earners compared to other regions. Another reason is that, in designing an appropriate strategy, it has to be recognised that the administration of certain very important components of material well-being (*e.g.* some of the social services) is, in practice, organised on a regional basis.

1.19 In our attempt to effect a more equitable distribution of incomes and wealth, due care will be taken not to disregard the important principle of rewarding according to effort. This caution simply emphasises the need to promote economic and social justice only in the context of overall growth. There is surely little point in achieving a very even distribution of incomes if all the time average incomes are falling. The income distribution objective is, therefore, to be interpreted as a requirement to equalise and enlarge opportunities for earning and enjoying income, in addition, of course, to the immediate need to eradicate extremes in the economic status of individuals.

D. *Employment*

1.20 The provision of opportunities for full employment to all citizens who seek it—the elimination of involuntary unemployment—is one of the ***ultimate*** development goals of the country. The availability of such opportunities is indeed a fundamental right of the Uganda community. Moreover, it is an essential means of ensuring a decent life to every member of society. No country can afford to provide a respectable life to a large number of its population who themselves contribute nothing to the country's production of goods and services. Even if this were possible, it would hardly be desirable. A person cannot be living a full and dignified life unless he is contributing to his own sustenance. Thus, to pursue full employment as a policy objective is also to seek to enlist the participation of all able persons in the national development effort. Finally, it is recognised that widespread unemployment, through the frustration it engenders, constitutes a very grave risk to stability and jeopardizes the social fabric itself. On all those considerations, the generation of a substantial increase in employment has been adopted as a cardinal objective of development policy.

1.21 Our knowledge of the present state of employment in Uganda is very incomplete. It is, however, quite evident that there are many individuals in urban areas who do not have a permanent job, and that, in the rural areas, the extent of "underemployment" is attaining alarming proportions. The eradication of involuntary unemployment requires not only the full employment of all persons currently unemployed or underemployed, but also the continual absorption into gainful and full-time employment of all additions to the country's labour force. The magnitude of the task is such that the objective can only be meaningfully viewed as a long-term one.

1.22 For the purpose of Plan III, the practical objective adopted is to ensure that there is no deterioration in the overall employment situation and to make a contribution towards the elimination of the existing back-log of unemployment.

II. Strategy

1.23 Any reasonable advance towards the objectives discussed in the preceding paragraphs requires vigorous action on numerous fronts within the framework of a consistent strategy. In this Manifesto, only the main strands of the proposed strategy are highlighted. The detailed measures for the execution of the strategy are spelt out in other chapters of this document and will be further elaborated in the Annual Plans. It is fully realised that in certain respects, some of the major development objectives have mutually opposed implications. Care will therefore be taken to ensure that, while some action may be more directly related to particular objectives than others, all proposed measures are pursued with reference to all objectives collectively.

A. *Markets*

1.24 Perhaps the most important single factor affecting the prospects for expanding total production in Uganda is the availability of markets. In designing an appropriate strategy for the growth of production, three important elements need to be isolated with regard to markets—the domestic market, the overseas export market and the East African Common Market. The domestic market is characterised, above everything else, by its very small size. The small size of the domestic market is primarily a reflection of the prevailing low levels of average and total incomes which do not generate purchasing power sufficient to support economic production in a wide range of goods and services. The Plan embodies various policies and other action aimed at expanding the domestic market. As already mentioned, all measures to be taken to promote a more egalitarian distribution of income should alter the pattern of consumption in such a way as to enlarge the market for locally produced goods and goods which, from a technical point of view, can easily be produced locally. Also, any success in monetising the subsistence sector and increasing fruitful employment on a large scale will have a similarly expansionary impact on the domestic market.

1.25 Ultimately, however, the growth of the domestic market will depend on the growth in incomes to which the entire Plan is geared. This highlights a fundamental dilemma which Uganda, like most other developing countries, faces: the size of the market is a function of domestic incomes generated in production whose growth, however, is dependent on the growth of markets.

1.26 In Uganda, a break from this vicious circle has been provided mainly by the production of agricultural crops for the export market. A careful examination of all possibilities reveals that we must continue to rely on export-oriented production as a main impetus for growth. Expanded export possibilities will not only be an additional outlet for our production, but they will also permit the importation of capital and intermediate goods for the expansion of domestic production and of essential consumer goods which we cannot produce locally. Moreover, a successful export programme will also stimulate the domestic market directly through the incomes earned in the production of the export products, and indirectly by alleviating pressure on the balance of payments and thus permitting the pursuance of a positive monetary policy.

1.27 Export promotion, therefore, constitutes a key element in the development strategy. There are numerous difficulties involved in effecting a break through on export markets. The long-term prospects of Uganda's major export crops have long ceased to be a source of encouragement, due to the relative stagnation in demand for the crops, while exports of manufactured and semi-manufactured goods face all types of institutional and economic obstacles. Despite these difficulties, it is considered that, with a determined effort Uganda can establish itself and compete effectively in new export markets, in respect of a number of primary and manufactured products.

1.28 Export promotion activities by Government are to be developed into a high-keyed campaign backed by more purposeful investigations into possible new lines of export production. Alongside this, the Government will increase the amount and variety of financial and other inducements offered to producers for the export market. Uganda will continue to give its total and active support to all existing and proposed international schemes for the expansion of world trade, especially among African countries, and will enter into bilateral and multilateral agreements in pursuance of this objective. Also, action will be taken to increase export competitiveness through measures aimed at keeping costs down and improving product quality.

1.29 Concern is not only with the total level of exports but also with the related problem of the range of export products. It is crucially important for steady growth that Uganda exports more of a wider range of products, and gets away from the present situation where total export performance hinges on the fortunes of two or three products. It is expected that measures and policies (described elsewhere in this Manifesto) aimed at diversifying economic activity generally, coupled with the new increased support to be given to export production, will result in a much healthier range of exports being achieved.

1.30 The third important factor relating to the market constraint is Uganda's membership of the East African Community, more particularly, the East African Common Market. Although the operation of the Common Market has, in certain respects, fallen short of expectations, it cannot be denied that its existence has permitted a number of undertakings to be economically started or extended in Uganda, as in the other Partner States. Uganda will continue to honour to the full its obligations under the East African Common Market arrangements, and to give active support to measures for strengthening and widening the Common Market and the East African Community.

B. *Development Spending and Its Financing*

1.31 As one of the most important requirements for fast growth a considerable proportion of the resources of the country will be allocated to development purposes as distinct from current consumption purposes. The aim is to achieve levels of capacity-generating spending much higher than have been attained in the past. Although evidence suggests that there might be excess capacity in certain sub-sectors of the economy and that it may be possible to increase the output of some commodities and services without substantial new investment, sustained growth in total output over the long run will require an expansion of the stock of capital. It will also require much higher levels of expenditure by Government on projects which, while not involving the creation of additional capital assets, nevertheless result in a real expansion of the national productive capacity. Expenditure of this latter type forms part of the broad concept of "development expenditure", and consists of disbursements on such schemes as disease eradication, research and other investigations, the funding of parastatal organisations, and the provision of credit and subsidies—all of which are not "capital formation" in strict national accounting terms.

1.32 Except to the extent that there is a net inflow of foreign funds into the country, all development expenditure has to be financed from savings generated domestically. Hence, action will be taken to increase the volume of domestic savings so that the desired levels of capital formation and other development expenditure can be attained without undue reliance on foreign support.

1.33 Regarding private savings, proposed Government action will involve the provision of adequate incentives and institutional facilities for such savings to be forthcoming and mobilised in increasing volumes. Concrete measures will be taken to expand and improve the financial infrastructure in order to enable potential savers and investors to grasp the opportunities opened up by the expanding economy. The fiscal machine will be geared so that, among other things, it provides real incentives to saving by individuals and organisations in the private sector. In this, the Government will be giving practical recognition to the fact that, to some degree, private saving is an alternative to taxation in that it reduces the investment financing burden that would otherwise have to be borne by Government, given the desired total development effort. Moreover, measures will be taken to extend and improve those schemes through which private savings are directed to the financing of the Government development programme. Finally, institutional controls will continue to be placed on the movement of private funds out of the country in order to ensure that domestic investment resources are not depleted unduly and also to minimise the pressure on the country's balance of payments.

1.34 Public savings emanate from two sources. First, there are the surpluses of publicly owned corporations and other enterprises. The contributions which these public bodies will make to the volume of domestic savings will depend on the commercial policies they adopt. Government's broad policy in this regard will be to ensure that these corporations manage their affairs in such a way as not only to avoid operating losses but also to be able to contribute to the financing of their investment programmes.

1.35 The other important form of public saving is the surplus on Government's recurrent budget. This has, in the past, financed a considerable proportion of Government Development Expenditure, although in recent years there has been a noticeable decline in the surplus realised every year. The Government appreciates the problem to be faced in any attempt to generate an increasing recurrent budget surplus. The "limits" to taxation are set by the extent to which consumption and investment by the private sector should and can be suppressed in order to release funds for the public sector. These limits are obviously subjective, and are political as well as economic. Although the tax burden in Uganda is considered to be higher than is typical for countries at similar levels of development, there is still room to increase tax revenues by widening the tax base, improving collection efficiency, and remodelling the tax structure in such a manner as to render it more income elastic.

1.36 Equally important, increasing the recurrent budget surplus requires that a restraint is placed on recurrent expenditure. The very real problems to be faced in any attempt to restrict the escalation of recurrent expenditure are fully recognised. Social services have to be improved and extended to more and more people in circumstances where, more likely than not, costs are rising. Development expenditure itself generates new recurrent expenditure commitments in the form of project maintenance and operation costs. In spite of all the difficulties, a concerted effort will be made to hold down the growth of Government recurrent expenditure by improving efficiency and control, and by instituting a variety of new economy measures. Most important, it is proposed to pattern Government development expenditure in such a way that, within an expanding total, relatively more emphasis than hitherto is placed on productive and revenue generating projects. Although, as is discussed elsewhere in this Manifesto, the improvement and expansion of social services is a central part of our development strategy, it is intended that there should be a slower rate of growth of Government development expenditure on these services in comparison with expenditure in other sectors. Among other benefits, this would reduce the severity of the recurrent expenditure implications of development spending. Action to contain recurrent expenditure does not only have a direct effect on the size of the budgetary surplus, but it can also be crucially instrumental in extending the "limits" to taxation, in that, people's willingness to be taxed depends, to a large measure, on their appreciation of the discipline observed by Government in its spending.

1.37 Since all measures to stimulate domestic savings involve a restraint on consumption, an important issue of development strategy is the extent to which it is desirable and feasible to forgo current consumption (public and private) in order to finance an increasing volume of investment. Apart from the very real moral question of the justification of requiring current generations to incur sacrifices for the benefit of future generations, there is the related politico-economic problem of the extent to which such sacrifices are compatible with the need to provide an adequate incentive to ensure the continued wholehearted support of the population for the development effort. More important, there is the economic argument that in given circumstances an expansion of consumption may be more effective than an expansion of investment expenditure in increasing the size of the domestic market which, as discussed in the preceding section, is a crucial constraint on growth.

1.38 In the present Plan a fundamental principle is that the people must all the time experience a rise in their standard of living as reflected in their private consumption and access to public services. Certainly, no reduction in the present low absolute levels of consumption can be justified merely because future productive capacity needs to be expanded. All in all, it is not envisaged that, over the period of Plan III, the proportion of domestic production devoted to investment uses (the investment rate) will show any significant increase above its recent levels. It is considered that this will be sufficient to provide for the productive capacity requirements of the Plan and immediately subsequent periods; especially considering that in addition, it is planned to incur a large volume of Government "development" expenditure which is not conventionally defined within this investment rate. An investment rate of this order would permit substantial investment in the social services for the benefit of the mass of the population, while allowing total and per capita consumption to grow reasonably over the Plan III period.

C. *Human Resources*

1.39 There are three major issues to which the Plan addresses itself in the area of human resources. These are the general level of employment, high level manpower, and population growth.

1.40 The problem of widespread unemployment has already been mentioned. Several aspects of this Plan represent an attempt to mount an attack on this highly complex problem. The broad long-term strategy adopted is to rely on a rapid growth of production to generate increasing employment opportunities. Within this broad concept, specific action will be taken to ensure that growth results in more new employment and more immediately than otherwise. The use of labour-intensive techniques of production will be promoted through appropriate fiscal and incomes policies, and through a deliberate bias in favour of employment-generation in the evaluation of public sector projects. The special emphasis which this Plan places on rural development is expected to have a significant impact on the employment situation. Not only would the opportunities for permanent rural paid employment and self-employment be expanded, but also rural development work will entail a large element of labour-intensive civil construction activities.

1.41 It has already been stated that although Ugandanisation is pursued as an objective in its own right, it has the obvious side effect of increasing the availability of jobs to Ugandans. During the Third Five-Year Development Plan a more effective institutional machinery is to be set up for the execution of the Ugandanisation policy at an accelerated pace. The ultimate weapon for speeding up Ugandanisation, however, is the planned expansion of educational and training facilities. The education programme, therefore, is to be regarded, among other things, as an element in the strategy to expand employment. In pursuing Ugandanisation, the Government will take meticulous care not to infringe its obligations to the other Partner States in the East African Community.

1.42 A particularly difficult aspect of the unemployment problem is the increasing number of persons who have had some formal education but cannot find a full-time job to suit their training and temperament. Since this phenomenon is, to a large extent, the result of a faulty education system, its alleviation primarily calls for a thorough realignment of the school curriculum with a view to ensuring a better matching between the production of the education system, on one hand, and the potential and needs of the economy, on the other. The curricula of all our educational institutions will be reorientated so that the young boys and girls who go through the system are equipped with the techniques and attitudes they need for fruitful employment in present and prospective conditions in the country, especially in the rural areas.

1.43 The phenomenon of the educated unemployed is at present largely confined to primary school leavers. However, there are already indications of redundancy even among those with a secondary or higher education. This incipient danger, together with the prevalent shortage of certain crucial skilled manpower, constitutes the second critical issue of human resources development in Uganda—the issue of high-level manpower. Government policy will be to ensure that all post-primary education is developed mainly with a view to catering for the manpower needs of the country. The curricula of secondary and higher educational institutions will be suitably modified to this effect, and various measures will be introduced or intensified for channelling students into courses considered appropriate from the overall manpower point of view. In addition, the Government will expand industrial and agricultural vocational training opportunities in its institutions and will institute measures to induce private employers to increase their vocational and on-the-job training facilities. Through all these, it is hoped that wasteful surpluses of particular types of trained manpower will be largely eliminated, while a significant advance is made towards the full relief of existing shortages especially of certain technical and professional manpower.

1.44 We have set ourselves the very ambitious goal of attaining virtual self-sufficiency in manpower in the early 1980's and all proposed action and policy in this area is geared to that prospective target. Meanwhile, before all our training programmes have borne fruit, we will need to continue to have recourse to the services of foreign personnel in various sectors of the economy. Without this, the manpower constraint might totally stifle economic growth. As already stated, Government policy with regard to foreign personnel is to accept only such personnel for critical jobs for which no Ugandans are available. Subject to this, the private sector is to be given all freedom and facilities to recruit foreigners. In the public sector, the utilisation of external technical assistance and the direct recruitment of foreign personnel will follow the same criterion, and measures will be taken to increase the efficiency of the existing institutional arrangements for the recruitment, supervision and co-ordination of such personnel.

1.45 Finally, the human resources strategy of the Plan concerns itself with the problem of population growth. The main revelation of the 1969 Census was that Uganda's population is increasing at a rate much higher than had been assumed all along, and that the actual rate of increase is among the very highest in the world today. This fact has such ominous implications for incomes, employment, and expenditure on social services, that it is truly cause for alarm. The Government, therefore, intends to initiate immediately a programme aimed at bringing about, in the long run, a definite decline in the rate at which our population grows every year.

1.46 One feature of Uganda's population is its rather uneven geographical distribution, reflected in the widely differing population densities from district to district. Since this pattern of distribution is, in most cases, unrelated to the distribution of other resources, it does call for corrective action. It is proposed to attack this problem mainly through the execution of a number of well-conceived resettlement projects. It is also expected that the situation will be alleviated through the enhanced status to be accorded to regional planning as an instrument of development policy.

D. *Natural Resources*

1.47 For fast development to occur, markets, finance and manpower must be complemented by a large volume of natural resources of the right type. In many respects Uganda is extremely well-endowed with natural resources. In total, there are abundant supplies of good agricultural land and of water, which are two of the most crucial natural resources for development. The climate of the country is considered very healthy for human habitation and ideal for a wide range of agricultural activities. There are also extensive natural forests, woodlands and swamps, all of which could be important sources of industrial inputs. While the absence of a sea coast is a distinct economic disadvantage, the central position of Uganda within the continent of Africa offers a number of economic possibilities. Mention must also be made of the tremendous variety of wild game and birds, and the magnificent scenery in many areas of the country both of which form the cornerstone of our tourist industry. Uganda's rivers and lakes abound in fish—both an important food source and another tourist attraction.

1.48 The three main issues regarding Uganda's natural resources appear to be:—

(i) the lack of an adequate knowledge of our mineral wealth;
(ii) the uneven geographical distribution of known natural resources;
(iii) the largely haphazard exploitation of the country's natural resources.

By their very nature, there is very little that can be done to increase the fund of available natural resources. However, much can be done to increase our knowledge of them, to improve their quality, to discover new and better uses for them, and to promote their orderly management and exploitation in general. Government strategy in the field of natural resources consists of action along all these lines.

1.49 Thus, considerable Government expenditure is planned for geological surveys, mineral exploration, hydrological surveys, soil surveys, topographical mapping, general ecological research, the treatment of natural forest, soil conservation, game conservation, and numerous other projects pertaining to the scientific exploration and proper use of the country's natural resources. In an attempt to rationalise the utilisation of our most important resource, it is planned to embark on a comprehensive land use survey of the country, and, on the basis of this, to eventually draw up an appropriate overall plan for the exploitation of our land resources.

E. *Productivity*

1.50 An essential condition for economic growth is the realisation of an improvement in overall productivity. In a general sense, this means that, throughout the economy, new methods must continuously be adopted to enhance the efficiency with which the various factors of production are utilised. In Uganda, the scope for improving efficiency is greatest in the rural sector, where the adoption of even modestly advanced inputs or farming techniques can yield spectacular results. The bulk of the agricultural development programme is directed towards achieving a greater volume of agricultural output through higher efficiency. In all sectors of the economy, production methods which improve the productivity of our scarcest resources—capital, foreign exchange, skilled manpower—will be relentlessly promoted. In some cases this will require the adoption of the most modern techniques, while in others, the very simplest methods of our own devising will be more appropriate.

F. *Some Issues of Sectoral Development*

1.51 The need to bring about a transformation in the sectoral structure of the economy has already been stressed. However, due to the dominant position of agriculture in the economy and the obvious resource advantages which

Uganda enjoys with respect to this sector, agricultural production must continue to expand for there to be any appreciable growth in total Gross Domestic Product. Moreover, since such a large proportion of the country's population is directly engaged in agriculture, a Development Plan which did not provide for the growth of agricultural production and incomes would hardly have any impact on the welfare of the majority of the population. Apart from the direct effect on rural incomes, agricultural development will increase the level of self-sufficiency in food requirements, generate a growing volume of foreign exchange earnings, and provide a sound basis for the further development of secondary industries.

1.52 At the same time as efforts are made to increase total agricultural production, emphasis will continue to be placed on the development of non-traditional types of agricultural activity in order to achieve a better diversified agricultural sector much less dependent on cotton and coffee production and sales. This, however, is only a matter of relative emphasis. A greatly increased annual cotton crop remains a key element in the overall development strategy. With regard to coffee, while our membership of the International Coffee Agreement precludes any action to increase coffee production, the Government will step up the campaign to secure a general improvement in the quality of the country's coffee with a view to increasing the competitiveness and foreign exchange earning power of the crop. The policy of diversification only implies that in the allocation of total financial and other resources, cotton and coffee will receive a gradually decreasing share. Of the newer lines of agricultural activity to be accorded increased support, livestock farming will receive special attention. The Government will also undertake special projects for the propagation of selected non-traditional crops which careful investigation reveals to have a definite economic potential. The agricultural research programme is to be increasingly oriented towards the identification of more and more crops falling within this category.

1.53 In view of the prevalent organisational pattern of Uganda's agriculture, Government efforts in this area will of necessity consist largely of such inducement measures as farmer education, financial and technical assistance to farmers, the provision of more marketing facilities and feeder roads, and the judicious regulation of agricultural prices. In certain areas of the country there is an indication of a need for a change in land tenure customs and practices if agricultural efficiency is to be increased. Where detailed planning shows this to be the case, the Government will undertake the necessary reforms as a matter of urgency.

1.54 While rural production is to contribute the largest absolute amount to the anticipated growth in total GDP, it is planned that the secondary sectors of manufacturing and construction industry will grow at much higher rates than agriculture. Only this way will there ultimately result a healthier sectoral balance in the economy with the relative size of the agricultural sector reduced considerably below what it is at present. This is a fundamental precondition for ensuring faster and more stable overall growth in subsequent periods, accelerating the generation of employment opportunities, and modernising society generally. In particular, a rapid expansion of the construction sector will be absolutely essential if the envisaged level of investment is to be achieved, since a large proportion of total capital formation is planned to be in the form of buildings and other civil works.

1.55 In the main, industrialisation will proceed on the basis of import substitution, the further processing of locally produced primary products, and a vigorous utilisation of all opportunities for the export of manufactured goods. Special Government assistance will be made available to small-scale and medium-scale industry.

1.56 Future industrial development strategy will emphasise three aspects, in particular:—

(i) a careful exploration and exploitation of inter-industry linkages, particularly the potential for the development of manufacturing industries based on agricultural inputs;

(ii) greater participation by indigenous interests in industrial ownership and management, this being a basic objective of development;

(iii) a more purposeful promotion of the use of labour-intensive production techniques.

In addition to measures already mentioned for the expansion of markets, a wide array of fiscal and other instruments will be employed by Government to induce a greatly increased volume of industrial investment and production. Government assistance, however, will be offered on a selective basis in order to ensure that industrialisation takes place in conformity with the special objectives in this area.

1.57 Tourism is another sector for which greatly accelerated development is planned. This is because of the special natural advantages which Uganda enjoys in this industry and the fact that earnings from tourism are predominantly in the form of foreign exchange. In addition to the planned investments in hotels and other tourist facilities and attractions, further improvements are planned in the institutional arrangements for the administration of the tourist industry.

1.58 It is fully recognised that no development of agriculture, industry or tourism can take place in the absence of an adequate basis of supporting facilities and services. In the Plan, therefore, large amounts of development expenditure are planned for increased power generation and distribution, the further development of the transport and communications network and of water supplies, and the expansion and improvement of numerous other services and facilities which constitute the "basic economic infrastructure". While some of the planned development of these services is clearly in response to existing demand, in many instances the strategy is to provide the services either in anticipation of future demand for them, or indeed with the specific intention of creating such demand. Of course, some of the constituents of the "economic infrastructure", most notably water supplies, are also important social services, and their planned development is, therefore, also governed by considerations relevant to this aspect of their nature.

G. *Social and General Administrative Services*

1.59 The expansion of social and general administrative services which is envisaged in the present Plan is justified from two points of view. In the first place, access to these services is an important form of real income and their expansion is an easily recognised indicator of the growing welfare of the community in general. Indeed, some of the universally agreed fundamental human rights do require a minimum standard of such services to be made available. In the second place, a fairly well-developed basis of social and general administrative services is an indispensable precondition for increased productivity generally. That farmers and other workers will produce more when they are healthy and well-trained than when they are morbid and illiterate, given the same complementary resources, hardly needs demonstration. Equally obvious is the fact that economic activity will not prosper unless there is a framework for the proper safeguard of law and order—unless, in other words, the lives, property, and other rights of the producers and their dependants are assured of adequate security. Thus, the production goals set in the Plan do themselves demand a considerable expansion of health and education services, housing, water supplies, police and prisons services, judicial services, and other social, administrative and security services in order that society is properly conditioned to the production tasks required of it.

1.60 There is perhaps no country, even among the very richest, which can be said to enjoy an "adequate" volume of social services, the needs of any community in this regard being virtually insatiable. In Uganda, there does exist a level of social services commensurate with our resources, and, in a number of respects, in excess of the strict requirements of the production activities of the economy. Considering the prospective very stringent financial situation of the country, the Government now intends to bring about a temporary deceleration in the rate at which social services are expanded, so that an increased share of total resources can be directed to the promotion of overall growth, diversification and employment. The planned de-emphasis of social services development should not be misinterpreted as an embargo. As has been stated in the preceding paragraphs, and can be ascertained in the relevant chapters of Part II of the Plan, a considerable expansion of these services is envisaged. The intention, however, is that over the coming few years, this expansion should be slower than hitherto.

1.61 For the law and order services, the position is that much of the development which was previously planned in this area did not take place so that the actual state of these particular services is much less satisfactory than is the case with the social services. This is evidenced by the unmistakable deterioration in law and order in the country over recent years. Due to the urgent need to work down the heavy backlog of projects, there will continue to be a substantial allocation of resources to the law and order sector in the present Plan.

1.62 The development of social services is to be one of the main weapons for bringing about a more equitable distribution of the benefits of development. Always, priority will be given to services designed for the consumption of the masses (such as primary education, public water supplies, low cost housing) vis-a-vis those likely to be enjoyed only by a privileged few. The location of new social services facilities will be *solely* guided by the need to gradually eliminate existing regional disparities in the availability of social services. In particular, special accent will be put on the development of social services in the rural areas of the country. The stress on rural services is not dictated by considerations of equity alone, but also, as the entire programme for rural development, by the pressing need to control the flow of people from rural to urban areas.

1.63 Although the provision of social services is primarily the responsibility of Government all encouragement will be given to private initiative in this field. Accordingly, voluntary organisations engaged in such services will have access to increased Government assistance, financial and other. In return for its support, the Government will naturally expect all private efforts to promote rather than frustrate the equitable distribution of social services among all sections of the community and areas of the country. It will also be Government policy to see that, as much as possible, self-help plays an increasing role n the provision of social services facilities, and a number of measures are to be introduced to further such self-help.

1.64 Mention has already been made of the need to re-orient the school yllabus in order to cater better for the manpower needs of the country. In broader sense, Government will do all that is necessary to ensure that schools erform their proper role of producing men and women capable of independent, bjective thinking, and qualified to contribute meaningfully to their own and he nation's material welfare. Special care will be taken to protect the school ystem from being used, as was attempted during the last stages of the First Republic, as a medium for the propagation of particular political ideologies.

I. *Rural and Urban Development*

1.65 As has previously been stated, the most urgent issue of income istribution generally is the disparity in the relative levels of economic and ocial welfare in the urban and rural areas of the country. The present lan, in its entirety, represents a concerted effort to drastically reduce this isparity. In formulating the proposals in the different sectors covered by is Plan, care has been taken to ensure that, in total, the proposals add p to a consistent programme of rural development calling for sizeable vestment and other effort for its implementation.

1.66 The strategy for rural development rests on three pillars:—

(i) the development of agriculture including livestock production;

(ii) the expansion and improvement of social services in rural areas;

(iii) the general improvement of security in rural areas.

he proposed main lines of development in these fields have been indicated preceding paragraphs, and are elaborated further in the relevant chapters of

Part II of this document. What may not have been adequately highlighted so far is the problem of security in rural areas. It suffices to state that for most citizens in the rural areas, this matter is of more urgent and personal concern than even the prospects of earning additional income. In some rural areas of the country, kondoism constitutes a real deterrent to increased production, apart from its appalling toll on human life. The Government now intends to make a new all-out attack on this problem, mainly by greatly strengthening its own law-enforcing agencies and those of local administrations in the rural areas and also by organising increased self-help in this matter.

1.67 With regard to social services, the main areas considered to be of special relevance to rural development are health services and water supplies. The Plan, however, embraces a number of other special programmes (such as rural electrification) for rural development. The community development and social welfare programmes and the small-scale industrial development programme will all have a distinct bias towards rural development. It is expected that forceful action on all these fronts will result in an appreciable improvement in the earnings, employment opportunities, and social amenities available to the rural population. In order to make rural development work more effective a start is to be made in organising all rural extension services within the framework of an integrated multi-disciplinary programme.

1.68 Although this Plan is clearly oriented towards rural development (which is what is relevant to the great bulk of the population), important development is planned for the urban areas also. For various reasons, certain important economic activities, such as industry, will continue to be located primarily in towns and cities, and basic facilities will need to be provided for them. The urban population must also have access to adequate social services and other amenities. Particular attention is to be paid to the expansion of urban housing and water and sewerage services, which, due to the heavy concentration of people, assume special urgency in urban areas. In a number of Uganda towns, the present situation regarding these particular services is critically inadequate. The master plans recently prepared for the Kampala and Jinja metropolitan areas do map out the main directions along which the two largest towns in the country are to be developed over the coming decade.

1.69 Over recent years, physical planning has emerged as an important instrument in Uganda's development strategy. The activities of the Town and Regional Planning Department of the Ministry of Regional Administrations have so far been confined largely to town planning matters. Work will continue in this area until detailed blue-prints for the physical development of all urban areas in the country are formulated. The major new departure in the coming years will be in the initiation of physical planning for the rural areas. As already indicated, the first important step in this regard will be to carry out a comprehensive land-use survey of the country, on the basis of which it is intended to prepare guidelines for the future distribution pattern of production, settlement, and the social and economic infrastructure.

I. *The Regional Distribution of Development*

1.70 Government's preoccupation with balanced regional development has already been mentioned in several places in this Manifesto, and the development of social services has just been cited as one of the main strategic instruments proposed for securing more balanced regional development.

1.71 Outside the field of social services, any attempt to improve the regional distribution of development comes up against some very severe limitations. Uganda's regional development problems arise from a number of factors—such as the concentration of natural resources, of markets and of external economies, widely differing transport costs, which reinforce regional disparities, particularly in relation to industrial development. The operation of these factors is such that they can easily render any locational policy aimed at promoting equality prohibitively costly in terms of overall growth, since, with many productive projects, a chosen location is a crucial determinant of their economic viability. There are, however, projects in respect of which location is not a crucial factor—the so-called "foot loose" projects. It is with respect to such projects that locational policy will be pursued primarily with a view to alleviating regional imbalances.

1.72 One of the main objectives of the small-scale industry programme, which is a key feature of the industrial development strategy, is to enable industrialisation, with its modernising and employment benefits, to be spread as widely as possible throughout the country. At the same time, the development of the basic economic infrastructure will be deliberately geared towards, among other things, increasing the relative attractiveness of those regions of the country which, at present, lag behind others in industrial and agricultural development.

1.73 In pursuing balanced regional development, it will not be Government policy to try and distribute every single type of economic activity equally in all areas of the country. Certain fundamental economic and technical considerations render such a policy impracticable except at an unacceptably high sacrifice to the economy. Rather than this, the Government will endeavour to ensure that in every area of the country there is a mix of economic activities which more or less conforms to the natural and other attributes of the area and which, together with the social services available, enables the citizens resident in that area to enjoy an increasing standard of life comparable to that enjoyed in any other area of the country. It is intended that there should emerge, in time, some pattern of regional specialisation suited most to the geographical distribution of the resources of the country.

1.74 Apart from the provision of social services and the location of economic activities there are various other instruments which the Government already employs and will continue to employ to foster regional balance. The mechanism of Government's financial assistance to local authorities will continue to reflect the need to assist the needier areas more than others, while the progressive nature of personal taxation by Government does itself imply that regions with a relatively high concentration of well-to-do citizens do subsidise the development of other regions. Indeed, all measures directed at securing a more egalitarian distribution of personal incomes have a direct beneficial effect on the regional distribution of development.

J. *State and Co-operative Participation in Economic Activities*

1.75 The need for the State to concern itself with the regulation of th economy and the promotion of economic growth is universally accepted. I Uganda, there are very good reasons to justify the extension of Governmen participation in the economy beyond mere regulation and promotion. As i all developing countries, the Government has a major role to play in minimisin economic risks, and it has to directly bear the many residual risks whic private enterprise is not willing to take on. The inherently monopolisti character of many important economic undertakings, in a small economy lik Uganda's, also requires more intimate Government involvement in these undertakings in order, particularly, to protect the interests of consumers. Mos important, if the Ugandanisation of the economy is to proceed at the desire pace, the Government, as the best endowed Ugandan institution, must activel participate in a broad range of productive activities. Ugandanisation throug Government participation has the distinct advantage of involving the entir Uganda community in the realisation of this important objective.

1.76 In recent years, there have been ardent attempts in Uganda to identif state participation in economic activities with radical political philosophies. I fact, however, there has always been Government participation of one form o another in the economic life of modern Uganda. Fiscal policy, monetary polic incomes and price policy, and the statutory licensing of certain economi activities are all examples of such Government "participation" as has bee practised for a very long time in Uganda. All this is apart from the provisio by Government of the traditional social services and public utilities whic have far-reaching implications for economic production and distribution. Development planning, which is simply an attempt to put all Government participatio in the economy into an internally consistent long-term framework, also ha a fairly long history in the country. More recently, the creation of a numbe of fully Government-owned corporations in a wide range of areas has adde a new dimension to Government participation in the economy.

1.77 In May, 1970, the then Government announced a series of measure for the compulsory acquisition by Government of a controlling interest i virtually all financial, insurance, oil-distributing, transport, manufacturing an agricultural firms in the country, and the total exclusion of private enterpris from the field of export and import trading. These measures had been hastil conceived and it was soon clear that they could only be implemented at a exorbitant cost to Government and the economy. Fortunately, only in ver few instances were the measures effected, and, in these instances, there wa significant divergence from the principles enunciated in the May 1970 Pronouncements. Nevertheless, the pronouncements did much to erode the confidenc of private investors (Uganda and foreign) with predictably harmful effects o economic performance.

1.78 As part of the general effort to restore the confidence of privat operators in the economy, and to emphasise and clarify the important rol which the private sector is expected to play, the Government of the Secon

Republic has revoked the May 1970 measures, and has explicitly defined th respective roles of Government and the private sector in business activity, i terms of the categories and principles below:—

(i) Government will have monopoly control over certain undertaking which are of critical importance to the economy. These include:

the generation and distribution of electric power;

the provision of urban water supplies;

the export marketing of cotton, coffee, tobacco, and other crops that ma from time to time be declared controlled produce;

jointly with the other Partner States of the East African Community the provision of rail, postal and telecommunication services.

(ii) Government participation (normally on a minority interest basis) wil be mandatory in all enterprises engaged in a limited number of sub-sector of strategic importance. These are:—

commercial banking and insurance;

basic iron and steel production;

sugar production; and

processing of petroleum products.

(iii) All business activities not covered under (i) or (ii) above can be undertaken by private firms, co-operatives, or (on a discretionary non-monopoly basis) Government, subject to the usual requirements of the law. In these activities private firms, co-operatives and Government can operate either singly or in partnerships with one another.

Any extension of Government participation, on a mandatory or discretionary basis, will always be based on demonstrable benefits to the economy rather than doctrinaire political ideologies, and will not discriminate in favour of or against particular interests in the private sector. Equally important, wherever the extension of Government participation entails Government involvement in existing firms, or otherwise intimately impinges on the operations of existing firms, it will always be preceded by the fullest possible consultation with the interested parties and will be implemented on mutually agreed terms.

1.79 The Government will rely primarily on parastatal organisations to carry out its responsibilities in productive enterprises. These bodies are, therefore, regarded as an important strategic instrument for Ugandanisation. The Co-operative Movement offers another institutional vehicle for accelerating the Ugandanisation of the economy. For some time now, co-operatives have been directly involved in the marketing and processing of agricultural produce. In some cases, they even enjoy a monopoly of these activities. Co-operative enterprise is to be strengthened. In addition, the Movement will be gradually extended to fields (such as agricultural production, industry, housing, retail and wholesale trading, transport) where it has not up to now played any significant role.

1.80 It is Government's intention to bring about Ugandanisation in an efficient manner. Unless this happens, the people would rightly wonder whether the objectives they have adopted are in their best interest. The Government is convinced that Ugandanisation can and should be promoted in the context of an expanding economy. This requires, among other things, vigorous measures to enhance the efficiency of the various institutions through which state and co-operative participation is being channelled. Special care will be taken to ensure that these institutions do not abuse any monopoly powers given to them. Mention has already been made of the need for parastatal organisations to finance a respectable share of their investment programmes from their operating surpluses. This is a reflection of Government's concern over the operational efficiency of these organisations. Action has already been taken to rationalise the responsibilities of the various parastatal bodies. Further rationalisation is planned in the future and this will entail the creation of new parastatal bodies, the abolition of some, and the consolidation of others, as the need may be. Government is also taking action to streamline the internal structure and practices of individual parastatal organisations, as well as to ensure more effective surveillance over the activities of these organisations. Similarly, a re-appraisal is to be undertaken of the operations of the Co-operative Movement, many aspects of which appear to fall below expectations. Additional responsibilities will be allocated to co-operatives only after this re-appraisal and any necessary reorganisation have been affected. In particular, the utmost care will be taken to ensure that the Co-operative Movement remains voluntary and non-political in principle and practice. Failure to observe this dictum in the past has been partly responsible for the mediocre performance of the Movement as a whole. The Co-operative Movement will continue to be assisted by Government in order to improve the efficiency and operations of the Movement.

K. *Incomes Policy*

1.81 Since the prime objective of development planning in Uganda is to raise the real incomes of Uganda citizens, Plan III as a whole represents, in a sense, a consolidated statement of Government's incomes policy for the future. The Government is not only concerned with the growth in total incomes but equally with the pattern of growth of the incomes of different sections of the community and of the various types of income. Government's strategy and action relating to this latter matter constitute what is conventionally known as incomes policy. There are two closely inter-related tasks to which incomes policy addresses itself.

1.82 First, there is the urgent need to promote a generally more equitable distribution of incomes. The various aspects of this important development objective, as well as the conditions governing its pursuit, have been discussed in paragraphs 1.15 to 1.19 above. The second task of incomes policy is to influence the manner in which the various types of incomes—employment incomes, profits, and property incomes—change relatively to one another, with a view to promoting the growth of total output and employment. The regulation of the relative levels of rural and urban incomes is an essential element of both tasks of incomes policy. Thus, the strategy for accelerated rural development, discussed in paragraphs 1.65 to 1.67 above, is an integral feature of the incomes policy of Plan III.

1.83 Regarding personal incomes in general, it is important to emphasise again that if the present distribution of incomes is to be altered in a more egalitarian way, then the disposable incomes of the less well-off sections of the community must grow faster than those of the higher income earners. A major weapon to be employed to bring this about will be taxation policy. Taxation policy, of course, has other equally important objectives—the generation of adequate funds for Government expenditure, the inducement of private investment in priority areas, the stimulation of export production, and the promotion of employment. However, in the years to come, considerations relating to the improvement of income distribution will have a greater influence in the formulation of tax proposals than has been the case in the past. Specifically, this means that the progressive character of the present tax system must be exploited to the full and even increased. This latter will be achieved not only by modifying the structure of existing taxes but also by introducing new taxes which fall more heavily on the higher than on the lower income earners. Thus, taxation policy will ensure that the richer contribute a proportionately larger portion of their incomes to Government's finances than the poorer, which, by itself, will directly reduce inequalities in personal incomes.

1.84 This egalitarian effect will be reinforced by Government's social welfare policy. Access to the basic social services is a very important form of real income. It has already been stated that, in the provision of social services, Government will emphasise those services intended for mass consumption relative to those likely to be enjoyed by the elite. In addition, it will be Government policy to make all basic social services available to those in the lowest income brackets free of charge or at greatly subsidised rates of charges. On the other hand, the well-to-do will be increasingly required to pay the full cost of social services made available to them. The super-imposition of this social welfare policy upon the taxation policy described in the preceding paragraph implies that the relatively rich will be required to make an increased net contribution towards the augmentation of the real income of the relatively poor.

1.85 In general, Government will try to ensure that wages and salaries (defined to include payments in kind and all fringe benefits enjoyed by employees) grow in line with the productivity of labour. Any faster growth would militate against the national objectives of expanding employment and total output. On the other hand, for employment incomes to grow much slower than this would be to deny paid workers their due share in the benefits of development.

1.86 Within the limits of this overall guideline, the Government will impose and periodically adjust statutory minimum wages for the lowest paid workers in the different sectors of the economy in order to assure these workers a minimum standard of living and to minimise the chance of their exploitation

employers. The specific factors that are to be taken into account in the
termination of the level of statutory minimum wages will be the cost of
ing, the effect on employment generation, production costs and prices, and
e relative levels of relevant rural and urban incomes. Subject to this
tutory minimum, actual wages and salary rates in the private sector will
determined largely by market forces of demand and supply and through
ployer/employee negotiation under Government's overall guidance and final
itration, as necessary.

1.87 The Government will naturally have more direct control over employ-
nt incomes in the public sector. Quite apart from the requirements of incomes
icy, there are diverse factors governing the level of personal emoluments
the public sector. The implications on Government's financial position (and,
refore, on taxation) and the need to eliminate anomalies and wide disparities
ong different sections of the public sector are two of the more important
s of these. Increasingly, however, the Government will use its position as
largest employer to give a positive lead to the rest of the economy by
ulating the growth of the wages and salaries it pays in conformity with
overall incomes policy.

.88 Incomes policy necessarily extends to questions of price regulation.
s is for two reasons. In the first place, since income earners are really
cerned with maintaining and improving the purchasing power of their
nings, it would be futile to act on money wages without any regard to what
pens to the cost of living. Secondly, prices are an important determinant
the costs and revenues of businessmen and, as such, are a central factor
erning the level and growth of profits and property incomes.

.89 Government will exercise statutory control over prices of certain
ntial consumer goods and services—the most important prices in this
gory being food prices. It is recognised that institutional controls on
sumer prices are an artificial weapon which does not provide a long-term
tion to the problem of matching the cost of living to the needs of
lopment. In the long run, Government will rely on an expanding supply
onsumer goods and services to counter any undesirable upward tendencies
he cost of living. The food production programme of the Plan is therefore
pecial relevance in this regard. This long-term strategy puts very definite
tations on the use of institutional controls over consumer prices. The
ernment will operate such controls with care to ensure that while they
galloping price increases and exploitative profit rates, they do not
roy the incentive to expand the production of essential consumer goods
services. Although excessive profits tend to aggravate income inequalities
exert an upward pressure on the cost of living, recognition will be paid
e fact that investment in productive enterprises only takes place if there
me firm expectation of an adequate profit therefrom.

00 This recognition is of special importance regarding the control of
s for domestically produced foods. A viable domestic food supply base

is at the centre of Uganda's development strategy, and Government price policy will therefore be to ensure that food producers do receive an economically attractive return on their efforts. Moreover, these farmers and their dependants constitute the bulk of the country's population and their material welfare (determined in large measure by the prices realised on their food sales) commands Government's primary attention. In general, Government's strategy with regard to prices for domestically produced foods will be to assure the farmers the highest prices consistent with a reasonable growth in the real incomes of wage and salary earners. One implication of this is that marketing and processing margins on these products need to be kept to the minimum. Government subsidies on farm inputs are also expected to have a similarly beneficial influence on the real incomes of farmers and paid workers.

1.91 Government has much less freedom of action on prices received by farmers for export crops, as these prices are determined essentially by conditions on the world market. Nevertheless, through action directed at promoting marketing efficiency, and the selective use of guaranteed minimum prices the Government can, within limits, effect improvements in the level and stability of domestic prices for export crops. Whatever scope there is for this type of action will be fully exploited.

1.92 An effective institutional machinery is necessary for the implementation of Government's incomes policy and the continuous study of the highly complex issues which this policy has to grapple with. Much of this has to be undertaken by the traditional organs of Government which, however, will need some reorientation in order to give more deliberate attention to the pursuit of a consistent incomes policy. With the reorganisation of the structure and methods of operation of public corporations, including those engaged in crop marketing and other types of commerce, it is now anticipated that, in their impact on farmers' incomes and consumer prices, these bodies will more effectively promote Government's incomes policy. Improvements to be instituted in the wage-negotiation machinery are described in Chapter Six. In addition, steps will be taken to develop a permanent professional economic service for the Industrial Court. The enforcement of statutory retail and producer prices will be strengthened through appropriate legal and administrative measures.

1.93 The major institutional development in the field of incomes policy will be the setting up of a body to be known as the Price Advisory Committee. This will be a permanent inter-Ministerial Committee of very senior officials serviced by the Ministry of Finance and Planning. The Committee's initial preoccupation will be to advise the relevant Ministers on issues pertaining to determination of all statutory retail prices and statutory growers' prices. Gradually, its responsibilities will be extended to rents, subsidies and wages. The institution of this Committee is intended as a practical remedy to the present inadequate co-ordination among the various instruments of Government's incomes policy. Although individual Ministries will retain final responsibility for fixing statutory prices in their respective areas of operation, prior consultation with the Price Advisory Committee will, in the future, be mandatory.

III. Conclusion

1.94 Plan III represents an ambitious but realistic task for the nation. The various programmes in the Plan, some of which have been mentioned in the foregoing paragraphs, are tailored to the needs and resources of the country. The realisation of the Plan, however, will naturally depend on the extent to which the community as a whole commits itself to the task. Government will play a central role in the implementation of the Plan, through very careful management of the public finances, improving its structure and practices, assisting and inducing private development activity, and generally creating an atmosphere conducive to the active participation by everyone in the development effort. In the last analysis, however, the success of the Plan will be determined by the manner in which the rest of the community responds to the lead provided by Government—the readiness to grasp opportunities, to participate in a national endeavour, and to incur sacrifices for the sake of much greater benefits in the future.

Chapter Two

ASSESSMENT OF OVERALL ECONOMIC PERFORMANCE, 1966–70

2.1 This Chapter presents an assessment of the overall performance of Uganda economy during the years 1966–70[1], relating, as much as possible, actual performance to that planned in *Work for Progress*. The Second Five-Year Development Plan period covered the financial years 1966/67–1970/71. Apart from the targets relating to Government expenditure, however, the major macro-economic variables of the Plan spanned the calendar years 1966–71. The period covered in this Chapter therefore corresponds approximately to the first four years of the Plan. Each of the other Chapters of this Plan contains, where relevant, an assessment of actual performance during the Second Five-Year Development Plan in the specific areas which the Chapters cover. The particular concern of this Chapter is an assessment of the sources and uses of total economic resources.

I. Production

2.2 Table II—1 sets out estimates of Gross Domestic Product (G.D.P.) at factor cost by sector, in 1966 prices, and compares the growth rate of production between 1966 and 1970 with that planned in *Work for Progress*. Over the first four years of the Plan, total monetary production is estimated to have grown at an annual average rate of 4·8 per cent, considerably below the Second Plan target rate of 7·2 per cent. Subsistence production grew broadly in line with the Plan target of 3·2 per cent per annum. Total G.D.P. grew by 4·4 per cent per annum, compared to the Plan target of 6·3 per cent.

2.3 Preliminary estimates indicate that 1971 will be a poor year for the growth of production, largely because smaller coffee and cotton crops are expected, mainly as the result of the dry weather in the early part of the year. The outturn in terms of overall growth rates, for the Plan period as a whole is therefore likely to be below that for the first four years of the Plan.

2.4 Table II—1 indicates that the growth of total monetary G.D.P. has shown considerable variation from year to year. Most of this variation reflects movements in agricultural output, which are themselves largely due to fluctuations in the production of cotton and, more markedly, coffee.

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[1] Except in the section of the cost of living, where more recent data is available.

Table II—1. Gross Domestic Product by Sector*

Actual Performance: 1966–7 and Plan Targets.

(*1966 prices*)

	1966	1967	1968	1969	1970†	Annual Average Growth Rates 1966–70	Annual Average Growth Rates Plan Targets
	Shs. million	*Shs. million*	*Shs. million*	*Shs. million*	*Shs. million*	%	%
Agriculture	1,480	1,478	1,445	1,746	1,768	4·5	5·1
Cotton Ginning, Coffee Curing and Sugar manufacture ..	96	95	94	113	113	4·1	5·6
Forestry, Fishing and Hunting	52	59	65	75	76	9·9	6·0
Mining and Quarrying	104	99	110	117	123	4·2	6·6
Manufacture of Foods	49	48	56	65	66	7·8	10·8
Miscellaneous Manufacturing	359	378	393	426	452	5·9	12·6
Electricity	68	78	84	87	87	6·4	9·8
Construction ..	69	84	96	101	108	11·8	11·3
Commerce	811	805	844	861	885	2·2	7·0
Transport and Communications ..	225	248	266	291	304	7·8	8·5
Government‡ ..	323	361	331	370	411	6·2	7·7
Miscellaneous Services	351	388	407	443	451	6·4	9·8
Rents	213	212	212	238	231	2·0	7·4
TOTAL MONETARY ECONOMY	4,200	4,333	4,403	4,933	5,075	4·8	7·2
SUBSISTENCE ECONOMY	1,871	1,942	2,005	2,158	2,149	3·5	3·2
TOTAL GDP ..	6,071	6,275	6,408	7,091	7,224	4·4	6·3

Notes:—

* Since the publication of *Work for Progress*, the GDP series has been revised and substantially improved in coverage. The data presented in this table comprise the preliminary revised GDP series, but are broken down into the same sectoral classification as used in *Work for Progress*. Further minor amendments to the GDP series are at present being carried out, and the final revised version of the series, together with a description of the methods of computation used, is to be published early in the Plan period.

† Preliminary Estimates only.

‡ The sectoral breakdown in Work for Progress presented Government Administration and Local Government separately. To eliminate the impact of the change in the division of responsibility between these sectors brought about by the introduction of the Republican Constitution, they have been amalgamated in this table. The Second Plan target growth rate for the amalgamated sector has been obtained by comparing the 1971 planned net output of Government Administration and Local Government together (Shs. 276 million in 1964 prices — Table II—9 of *Work for Progress*) with the 1966 Plan forecast figure for the two sectors together (Shs 190 million).

Over the first two years of the Plan, while the non-agricultural sector of the economy grew by 4·3 per cent per annum, monetary G.D.P. increased by only 2·4 per cent per annum. This was a reflection of the fact that over the same period, coffee production stagnated and cotton production fell rather sharply, particularly as a result of the adverse weather conditions in 1968. In 1969, both cotton and coffee production recovered strongly, coffee production reaching a record level; as a consequence G.D.P. increased by 12·0 per cent. In 1970, however, there were mutually off-setting movements in the main crops—coffee production declined somewhat from the peak of 1969, while cotton production reached a record level. Thus, in 1970, G.D.P. increased by only

2·9 per cent; practically all of it attributable to growth in the non-agricultural sector. Production estimates for the main rural products are set out in Table II—2.

Table II—2. Second Plan: Planned and Actual Production of Selected Products.

('000 metric tons)

	1966 Plan Forecast	1966 Actual	1967 Actual	1968 Actual	1969 Actual	1970 Actual	1971 Plan Target
Coffee ..	200	165·0	158·0	152·0	229·0	216·0	260
Cotton	77	80·9	76·2	61·6	75·5	84·9	104
Sugar ..	115	129·0	137·4	152·4	139·9	144·0	230
Tea	10	11·2	11·2	15·2	17·6	18·2	19
Tobacco	4	2·5	3·5	4·6	3·5	3·3	11
Fish ..	76	85·2	99·6	108·4	125·3	129·0	104

2·5 As far as the period 1966–70 is concerned, there have been wide differences in the extent to which the Plan sectoral growth targets have been achieved. In agriculture the shortfall in the growth of the sector was small—production increased on average by 4·5 per cent per annum, compared to the Plan target of 5·1 per cent per annum. In 1971, however, a sharp fall in agricultural production is expected, so that, over the Plan period as a whole, the growth of agricultural production is likely to be well below that envisaged in the Plan.

2.6 Table II—2 compares actual and planned production of six major rural products. In the case of coffee, over the first four years of the Plan, production grew at about the same rate as the Plan envisaged, but from a lower base. Reference has just been made to the expectation that production will decline in 1971. Quite clearly, therefore, if this expectation is realised, the absolute level of production which the Plan expected for 1971 will not be achieved. Failure to achieve the coffee production target is, however, in no way alarming, since its attainment would merely have entailed a further addition to stocks. In the present state of the world coffee market, the prospects for disposing of such an addition to stocks are very poor.

2.7 Cotton production in 1966 was slightly above the Plan forecast for that year. Over the years 1966–70, production fluctuated somewhat, and displayed no discernible trend of growth. There was a record crop in 1970, but it was only 5 per cent larger than the previous record, achieved in 1966. Evidence indicates that the 1971 crop will be below the 1970 level. Even the 1970 crop was well below the trend implicit in the Plan target, so that a very large shortfall in cotton production is most likely. Considering the importance of cotton for the overall Plan production growth targets, and considering that, unlike in the case of coffee, there is at present no market limitation on the volume of cotton exports, this shortfall is a very serious one.

2.8 Sugar production has fluctuated during the Plan, with production in 1970, 12 per cent higher than in 1966, but very substantially below the Plan target for 1971. The main reason for the failure to achieve substantial growth in production is that neither of the two additional sugar estates and factories which were to be constructed during the Plan have materialised. Tea production has shown very marked growth over the first four years of the Plan, very much in line with the 1971 Plan target, although production in 1971 is likely to be seriously affected by the adverse weather conditions early in that year. In 1966, production of tobacco was well below the Plan forecast for that year. Since then, production has fluctuated, but has shown very little growth, and production in 1971 is likely to be seriously short of the Plan target of 11,000 tons. The size of the fish catch has grown extremely rapidly, and in 1968 it surpassed the 1971 Plan target. The limited data available suggests that livestock production has grown at a rate close to that envisaged in the Plan.

2.9 Over the first four years of the Plan, the food manufacturing sector grew by 7·8 per cent per annum, about 25 per cent below the Plan target rate of 10·6 per cent per annum. Miscellaneous manufacturing grew by 5·9 per cent per annum, compared to the Plan target of 12·6 per cent per annum. Thus, although manufacturing as a whole grew quite rapidly, growth was well below the ambitious Plan target. A rapid growth of manufacturing activity is an essential element in the long-term structural transformation of the economy. The failure to achieve the manufacturing growth targets during the Second Five-Year Development Plan has therefore had an adverse impact upon the achievement of this long-term objective, as well as upon the overall expansion of the economy during the period under review. A detailed assessment of the constraints which have affected the growth of manufacturing in recent years is contained in Chapter Eleven.

2.10 The growth of the electricity sector has been lower than the Plan target rate, because sales have grown less rapidly than expected. Transport and communications product, on the other hand, grew rather rapidly over the first four years of the Plan, close to the target rate. Construction product also grew rapidly, over the same period, at an average rate above that envisaged in the Plan, as a result of the rapid growth of construction investment activity.

2.11 Commerce product has grown very slowly, at a rate well below the Plan target. Because of the size of the commerce sector, and the extent of the shortfall in its growth, the poor performance of this sector is a major source of the failure to achieve the overall growth target. The single most important reason for this poor performance has been the stagnation of consumer imports, and hence the import distribution trade arising from Government's import restriction policy, trade licensing policy, and other institutional changes within the commerce sector. Imports of consumer manufactures (*see* Table II—4) declined sharply in 1967, and, apart from a slight increase in 1968, have shown no subsequent recovery.

2.12 The product of Government has grown quickly, particularly as the result of growth of administrative and defence services within Government, at a rate close to the Plan target. Miscellaneous services also grew quite fast, but the shortfall below the Plan target rate was greater. Within this sector, the faster-growing items were educational and health services, associated with the very rapid expansion of Government's responsibilities in these fields. Factor incomes from rents appear to have grown slowly in real terms, although this may to some extent be related to statistical difficulties of estimation.

II. External Trade

2.13 The outstanding features of the development of external trade during the period 1966–70 have been the rapid growth of merchandise exports and the very slow growth of merchandise imports. The Plan envisaged a growth of exports of 4·4 per cent per annum and a growth of imports of 5·7 per cent per annum. Over the period 1966–70, exports grew on average by 6·1 per cent per annum, while imports grew by only 2·3 per cent per annum. In 1971, however, merchandise export value is expected to decline and merchandise imports to rise substantially, so that the growth of imports and exports over the entire Plan period should be closer to the Plan target rates.

2.14 The development of merchandise exports, broken down by major commodity, is shown in Table II—3. The growth of exports has fluctuated from year to year. Over the first two years of the Plan, exports increased on average by only 0·7 per cent per annum. In 1969, exports increased by 5·3 per cent, largely because of a sharp increase in the volume of robusta coffee exports and a sharp rise in copper prices. In 1970, exports rose by 18·8 per cent. This large increase was partly due to a further increase in the volume of robusta coffee exports coupled with a sharp increase in the level of coffee prices following the Brazilian frost in 1969. It was also partly due to the large increase in the volume of cotton exports, resulting from the very large 1970 cotton crop and the elimination of a backlog of exports from the 1969 crop which had been caused by delays in railage.

2.15 On the merchandise account, the value of exports of commodities other than coffee, cotton and copper grew by only 3·2 per cent per annum between 1966 and 1970. The value of tea exports grew rapidly, in line with the rapid increase in production, and despite the decline in prices which followed the devaluation of the pound sterling in 1967. Sugar exports fluctuated, depending mainly upon the balance between domestic production and consumption. Exports of animal feeds stagnated, largely as the result of the failure of cotton, and hence cotton seed production, to display any marked trend of growth. The export price of tobacco showed considerable improvement, but volume showed no increase, as the result of the stagnation of production, and the growth of internal demand. The volume of exports of hides and skins also showed no increase, and a rather sharp decline in prices reduced export value. The volume and value of exports of cotton fabrics fell sharply in 1968, following the importation of quantitative restrictions by Tanzania and then the implementation of the transfer tax arrangements under the Treaty for East African Co-operation. There has been some recovery since, largely due to an increase of exports to Kenya. Other domestic exports stagnated over the first three years of the Plan and then showed a sharp increase in 1970, again mainly because of a substantial expansion of the volume of a whole range of exports to Kenya.

2.16 The development of imports is shown in Table II—4. The most striking features of the data presented in Table II—4 are the rapid growth of imports of intermediate and investment goods, and the decline in imports of consumer goods. Imports of construction materials and equipment grew particularly

Table II—3. Uganda's Merchandise Exports, 1966–70.

	1966	1967	1968	1969	1970
ARABICA COFFEE:					
Quantity (metric tons)	17,545	14,006	23,449	17,556	11,399
Price (Shs. per metric ton)	6,020	5,550	5,920	5,550	7,750
Value (Shs. million)	105·6	77·7	138·8	97·5	88·3
ROBUSTA COFFEE:					
Quantity (metric ton)	149,631	145,461	128,214	162,997	179,845
Price (Shs. per metric ton)	3,940	4,220	4,490	4,190	5,150
Value (Shs. million)	589·8	614·3	575·3	682·5	926·1
RAW COTTON:					
Quantity (metric ton)	69,803	71,958	61,652	52,902	78,117
Price (Shs. per metric ton)	4,400	4,210	4,800	4,740	4,490
Value (Shs. million)	306·9	303·2	295·7	251·0	351·0
TEA:					
Quantity (metric tons)	8,967	9,616	11,390	15,925	15,052
Price (Shs. per metric ton)	7,100	7,370	6,620	5,870	6,310
Value (Shs. million)	63·7	70·9	75·4	93·5	95·0
SUGAR:					
Quantity (metric tons)	4,945	33,167	36,392	47,160	22,267
Price (Shs. per metric ton)	950	860	810	700	820
Value (Shs. million)	4·7	28·4	29·6	33·0	18·2
ANIMAL FEEDS:					
Quantity (metric tons)	82,953	97,227	82,463	87,048	94,899
Price (Shs. per metric ton)	520	500	480	510	530
Value (Shs. million)	43·1	48·4	39·9	44·3	49·9
TOBACCO:					
Quantity (metric tons)	2,461	2,891	2,077	2,357	1,975
Price (Shs. per metric ton)	5,650	8,410	7,460	8,400	9,520
Value (Shs. million)	13·9	24·3	15·5	19·8	18·8
HIDES AND SKINS:					
Quantiy (metric tons)	4,059	3,380	3,667	4,221	4,159
Price (Shs. per metric ton)	8,870	7,720	5,860	6,520	6,590
Value (Shs. million)	36·0	26·1	21·5	27·5	27·4
COPPER:					
Quantity (metric tons)	15,799	14,973	15,631	16,638	16,446
Price (Shs. per metric ton)	7,290	7,300	7,130	10,762	10,060
Value (Shs. million)	115·1	109·3	111·5	179·1	165·5
COTTON FABRICS:					
Quantity ('000 sq. metres)	19,441	20,226	12,960	13,661	16,318
Price (Shs. per sq. metre)	3·6	3·1	3·5	3·3	3·4
Value (Shs. million)	69·6	62·8	45·2	45·1	55·9
OTHER AGRICULTURAL EXPORTS*	109·9	105·3	98·4	92·3	114·3
OTHER MANUFACTURED EXPORTS†	69·2	73·9	76·2	81·4	89·1
RE-EXPORTS (Shs. million)	23·6	18·1	17·5	14·2	13·3
MERCHANDISE EXPORT ADJUSTMENTS‡ (Shs. million)	−80·9	−67·5	−50·8	−92·1	−148·1
TOTAL MERCHANDISE EXPORTS (Shs. million)	1470·2	1495·2	1489·7	1569·1	1864·7

* Comprising the balance of SITC sectors 0, 1, 2 and 4.

† Comprising the balance of SITC sectors 3, 5, 6, 7, 8, and 9.

‡ For valuation and timing.

rapidly—at annual average rates of 13·4 per cent and 5·6 per cent, respectively—between 1966 and 1969, and then showed a decline in 1970, associated with the reduction of investment activity in that year. Imports of intermediate goods have grown very much in line with the growth of manufacturing activity. Imports of fuel have grown extremely rapidly, mainly as a result of the very rapid growth in the consumption of jet fuel related to the development of air traffic, but also because of an increase in imports of heavy diesel fuel in the first two years of the Plan.

Table II—4. Merchandise Imports, 1966–70.

(*Shs. million*)

	1966	1967	1968	1969	1970	Annual Average Growth Rate 1966–70
						%
Intermediate Goods	277·5	257·2	298·8	335·0	344·7	5·5
Construction Materials ..	66·6	73·4	79·9	96·9	92·5	8·6
Equipment	237·9	291·5	271·7	284·8	256·7	1·9
Food, Drink and Tobacco ..	133·2	124·0	102·7	129·1	122·8	–2·0
Consumer Manufactures	405·1	321·7	343·8	316·1	311·8	–6·8
Fuel	44·2	51·5	61·6	70·7	87·1	18·5
Total Retained Merchandise Imports	1164·5	1119·3	1158·5	1232·6	1215·6	1·1
Re-Exports	23·6	18·1	17·5	14·2	13·3	
Merchandise Import Adjustments*	148·6	179·9	146·9	172·3	233·8	
TOTAL MERCHANDISE IMPORTS ..	1336·7	1317·3	1322·9	1419·1	1462·7	2·3

* For valuation, coverage and timing.

2.17 The underlying cause for the decline in imports of food, drink, tobacco and consumer manufactures has been the strict control by Government of luxury consumer imports from outside East Africa, coupled with the continued progress of import substitution which has been mainly concentrated in the consumer good industries. In addition, the measures to Africanise trade which were instituted in 1970, as well as the unsettling influence of the 1970 May Day pronouncements may have been a depressing factor in that year.

2.18 Table II—5 sets out export and import price indices and the terms of trade index for the years 1966–70.

Table II—5. Export and Import Price Indices.
(1964 = 100)

	1966	1967	1968	1969	1970
Total Exports ..	90	91	95	91	104
Total Imports ..	103	108	106	104	109
Terms of Trade ..	87	84	90	88	95

Over the period 1966–69, there was no significant trend of change in either export or import prices. Import prices showed a rather sharp increase in 1967, but declined again in 1968 and 1969. In 1970, however, import prices again rose sharply. In the same year, export prices rose very sharply, by 14 per cent, largely as the result of the very sharp increase in coffee prices, and to a much lesser extent, the improvement in tea and tobacco prices. As a result of these movements, the terms of trade improved by 8 per cent over the previous year's level, although they were still below the level prevailing in 1964.

III. The Balance of Payments

2.19 It is not possible to compare in detail the balance of payments projections contained in *Work for Progress* with the official series now published. The series used in *Work for Progress* were very approximate estimates only, and differ in definition and coverage from the present series. Broadly, however, the Plan envisaged that imports would grow rather rapidly, despite progress in import substitution; that exports would grow rather slowly; and that these trends, together with a slightly deteriorating balance on invisible account, would lead to a growing deficit on the current account, to be financed by increasing private and official capital inflows.

2.20 In the event, performance over the first four years of the Plan has been rather different. As explained in the preceding section of this Chapter, merchandise exports grew much more rapidly than the Plan envisaged, while, as the result of import substitution and strict restraint on the import of luxury consumer goods, merchandise imports grew more slowly.

2.21 Details of the services account of the balance of payments are presented in Table II—6. Total receipts on account of services grew extremely rapidly, at an average annual rate of 19 per cent between 1966 and 1970. Most of the increase was due to a very rapid growth in travel income, arising from the rapid growth of tourism[1]. Total external payments in respect of services account grew less rapidly, but, within the category, payments, both for travel and on behalf of Government, grew quite fast.

Table II—6. Balance of Payments—Services Account, 1966—1970.

(Shs. million)

	1966	1967	1968	1969	1970
RECEIPTS:					
Transport	16·8	18·3	20·4	19·8	20·2
Travel	56·2	83·1	98·4	137·4	141·9
Government	30·4	38·8	44·5	52·8	49·0
Other Services	9·5	10·6	21·1	17·6	15·1
TOTAL .	112·9	150·8	184·4	227·6	226·2
PAYMENTS:					
Transport	59·3	65·2	51·2	54·1	66·1
Travel	75·8	80·7	90·6	106·8	142·9
Government	37·9	51·9	59·0	60·8	66·2
Other Services	65·0	68·5	49·3	57·5	61·0
TOTAL ..	238·0	266·3	250·1	279·2	336·2

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[1] It is, however, necessary to note that there are reservations about the data for foreign exchange earnings from tourism. Although tourism has undoubtedly been growing rapidly in recent years, it is likely that the overall level of earnings from it are substantially overestimate by the present statistics used for balance of payments calculations.

2.22 Over the same period, there was an annual net repayment of investment income abroad, whose level fluctuated from year to year, showing no trend of change. The stagnation in investment income payments appears to have resulted mainly from improvements in exchange control over this category of payments. Transfer payments have steadily moved from a net inflow of Shs. 7·5 million in 1966 to a net outflow of Shs. 38·5 million in 1970. This rather sharp deterioration on the transfer account arose both from a decline in official transfer receipts and from a growth in private transfer payments. The decline in official receipts is associated with the reduction in payments under technical assistance arrangements, while the increase in private transfer payments appears to be mainly related to increased payments associated with the emigration of Asian non-citizens.

2.23 The overall balance of payments position is summarised in Table II—7. Over the first three years of the Plan the deficit on current account showed a fairly rapid decline—contrary to the movement envisaged in *Work for Progress*—mainly as the result of the improvement in the balance on services account. In 1970, the current account moved sharply into surplus, despite a significant deterioration on the services account and some deterioration in the net position for all non-trade current items together. The large current account surplus realised in 1970 is thus almost wholly attributable to the very sharp increase in exports registered in that year.

2.24 Actual movements in the capital account were also different from those projected in the Second Five-Year Development Plan. Official capital inflows were at an unusually high level in 1966, as the result of the realisation in that year of a substantial portion of the sterling assets held by Government. In 1968 there was a further decline, arising from the concentration of redemption payments for external UEB stock in that year. In 1969 and 1970, net inflows increased as disbursement of official external loans accelerated. Over the period as a whole, however, official capital inflows were well below the level forecast in Plan Two because of the difficulties associated with the utilisation of official external finance.

2.25 The data on private capital flows is subject to a wide margin of error, and must therefore be interpreted with caution. Over the years 1966–70, gross private capital outflows appear to have been increasing with a particularly large increase, of over 60 per cent, in 1970. Quite clearly the increase outflow in 1970 was associated with the adverse impact on the economic climate engendered by the trade licensing measures early in that year, and by the 1970 May Day measures for the nationalisation of major sectors of the economy. Gross inflows appear to have grown moderately between 1966 and 1969. In 1970 they declined very sharply, again presumably because of the trade licensing and nationalisation measures in that year. The net picture therefore was one of declining inflows early in the Plan, which became negative in 1969, and sharply negative in 1970.

2.26 As a result of all these movements, reserves increased rapidly during the period 1966–69, but at a declining rate. In 1970, reserves would have declined slightly but for the first allocation of Special Drawing Rights of

Shs. 38·4 million. Overall, during the years 1966–70, reserves increased mor rapidly than the Plan envisaged. Nevertheless, this increase was justifiable, sinc reserves were at a very low level at the beginning of the Plan. By the end o 1970, (after being at a peak of Shs. 576·9 million at the end of July) tota external reserves stood at Shs. 457·0 million, an amount just sufficient t finance three months imports. Between that time and the end of March 1971 movements on the balance of payments account led to a decline in reserve amounting to Shs. 14·5 million.

Table II—7. Balance of Payments, 1966–70.

(Shs. million

	1966	1967	1968	1969	1970	1966–70
Merchandise Exports ..	1470·2	1495·2	1489·7	1569·1	1864·7	7888·9
Merchandise Imports ..	1336·7	1317·3	1322·9	1419·0	1462·7	6858·6
Trade Balance ..	133·5	177·9	166·8	150·1	402·0	1030·3
Invisible Exports ..	112·9	150·8	184·4	227·6	226·2	901·9
Invisible Imports ..	238·0	266·3	250·1	279·2	336·2	1369·8
Invisible Account Balance	–125·1	–115·5	–65·7	–51·6	–110·0	–467·9
Net Transfers received	7·5	0·1	–3·2	–16·7	–38·6	–50·9
Net Factor Incomes Received	–124·4	–134·7	–119·9	–125·6	–107·4	–612·0
CURRENT ACCOUNT BALANCE	–108·5	–72·2	–22·0	–43·8	146·0	–100·5
CAPITAL MOVEMENTS NET						
Official	183·9	105·4	89·9	133·4	140·9	653·5
Private*	73·6	38·0	8·1	–19·6	–294·6	194·5
SDR Allocation ..	—	—	—	—	38·4	38·4
Overall surplus on balance of payments (†Increase in Reserves)	149·0	71·2	76·0	70·0	30·7	396·9

* Including errors and omissions.

† Equals change in net foreign exchange assets held by Bank of Uganda, Government and the commercial banks.

IV. The Cost of Living

2.27 The overall output growth target on Work for Progress was formulated in real terms, and thus implied planned growth rates in real incomes anc consumption. Nevertheless, the extent to which real growth is accompanied b increases in the domestic price level is of importance. Quite apart from th implications which a sustained increase in domestic prices has for export competitiveness, the distribution of cost of living increases among the variou classes of income-earners is of significance for the target of improving economi and social justice.

2.28 The first part of Table II—8 summarises the limited data which i available on movements in the cost of living over the 1966–70 period. Thi data relates only to wage earners in Kampala, and in any case excludes rents from its coverage. Nevertheless, important trends can be discerned. For th high income group, the cost of living appears to have shown a moderate but steady increase over the years 1966–71. The middle and low income indices, on the other hand, rose slowly or not at all between 1966 and 1968, and then accelerated sharply in 1969, 1970 and 1971. Clearly year-to-year variations have an important influence on a series spanning only five-and-a-half years. Nevertheless, bearing this qualification in mind, over the 1966–71 period the low income index displayed a larger increase than the middle or high income indices, implying that consumer price movements militated against improvements in real income distribution.

2.29 The second part of the Table II—8 provides a breakdown of the low income cost of living index by consumer good categories. There appear to be three major factors which have led to the overall movements in the low income index. The first two of these both relate to the movement in the price index for food, which, because of the large weight of food in total expenditure within the low income group, contributed substantially to the increase in the overall index in 1969, and was the sole source of the increase in 1970 and the first half of 1971.

Table II—8. Cost of Living Indices, 1966–70*.

(1966 = 100)

	Weights	1966	1967	1968	1969	1970	1971†
High Income Index		100	102	108	115	118	121
Middle Income Index		100	104	105	113	119	128
Low Income Index	100	100	103	100	112	123	138
Of which Food	70	100	107	99	108	123	147
Drink and Tobacco	11	100	100	106	114	108	103
Fuel and Soap	8	100	90	82	93	95	91
Household Goods	2	100	103	130	171	169	164
Clothing	9	100	99	120	154	165	164

* Average annual data for Kampala.

† First six months only.

2.30 First it is clear that the very large increase in the net credit extended to Government by the banking system—rising from Shs. 44·1 million at the end of June, 1968 to Shs. 593·3 million at the end of March, 1971, together with some expansion of credit to the private sector and a moderate net increase in foreign exchange users over the same period, led to a very substantial growth of domestic demand. The scale and rapidity of this increase appears to have induced an increase in food prices in the face of a short run inelastic supply. For manufacturing (*see* Chapter Eleven) the response to increased demand appears to have been increased production and sales, improving capacity utilisation and decreasing stock holdings, rather than a significant increase on prices. Secondly, the large rise in food prices in the first half of 1971 was clearly associated with the drought conditions which affected food production very seriously in the early part of the year. Thirdly a sales tax was imposed in mid-1968 on a range of manufactured commodities. The indices in Table II—8 are averages for full calendar years, so that the full impact of the tax is only revealed in the table by the data for 1969, which indicate that very substantial rises in the prices of household goods and clothing were experienced.

V. Summary—The Source and Use of Economic Resources

2.31 Table II—9 sets out the source and disposal of total real resources available to the economy over the period 1966–70. The real resources available to the economy comprise domestic production and imports of goods and services, valued at market prices. Over the period 1966–70, the availability of resources of this kind grew by 7·5 per cent per annum. Over the same period, the proportion of resources devoted to investment increased slightly, from 10·9 per cent to 11·5 per cent; the proportion devoted to exports declined from 19·4 per cent to 18·7 per cent; and the proportion used for consumption was virtually constant at about 69·7 per cent.

Table II—9. The Source and Use of Real Resources 1966-1970.
Current Prices.

(*Shs. million*)

		1966	1967	1968	1969	1970
	Monetary G.D.P. at Factor Cost ..	4,200	4,219	4,554	5,221	5,786
Plus:	Subsistence products	1,871	1,991	2,022	2,246	2,699
Plus:	Indirect Taxes less Subsidies ..	498	667	684	778	885*
Equal:	G.D.P at Market Prices	6,568	6,878	7,260	8,245	9,370
Plus:	Imports of Goods and Services ..	1,575	1,584	1,573	1,699	1,799
Equal:	TOTAL Real Resources available to the economy	8,144	8,461	8,833	9,944	11,169
	Gross Capital Formation	891	1,062	1,111	1,387	1,280
Plus:	Exports of Goods and Services ..	1,583	1,646	1,674	1,797	2,091
Plus:	Consumption	5,670	5,753	6,048	6,760	7,798
	TOTAL use of Real Resources ..	8,144	8,461	8,833	9,944	11,169

* Preliminary estimate only.

2.32 Table II—10 presents a breakdown of the use of total income available for consumption and savings. Over the first four years of the Plan, disposable incomes[1] grew by 9·3 per cent per annum, measured in current prices. It is not possible to accurately measure disposable income in constant prices, but, taking into account the fact that prices for domestic products have been rising by a rate of the order of 4 per cent per annum, and that there has been some improvement in the terms of trade, real disposable income has probably been growing by about 5 per cent per annum. Taking into account population growth of about 3 per cent per annum, there appears to have been some improvement in the level of *per capita* income.

2.33 Domestic savings appear to have grown quite rapidly, more rapidly than total incomes. As a result, the share of disposable income devoted to savings increased quite sharply, from 12·1 per cent in 1966 to 15·5 per cent in 1970. Consumption grew at an average rate of 8·2 per cent per annum. Bearing in mind the remarks regarding the movement of prices and the growth of population made in the previous paragraph, it appears that the level of real per capita consumption showed only slight improvement during the first four years of the Plan.

2.34 It is not possible to compare the absolute level of capital formation achieved during the years 1966–70 with that envisaged in the Plan, because the historical series is different in scope and coverage from that used in *Work for Progress*. Nevertheless, it is possible to make a comparison in terms of growth rates. Table II—11 sets out estimates of actual capital formation. Between 1966 and 1970, fixed investment in the monetary sector grew from Shs. 774 million to Shs. 991 million—an average growth of 6·4 per cent per annum. *Work for Progress* called for a rapid growth of fixed investment, averaging 11·1 per cent per annum over the Plan, so that there was a substantial shortfall in the growth rate of investment in the first four years of the Plan.

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[1] Defined as Gross National Income at market prices plus net transfer received from abroad.

Table II—10. Income, Consumption and Domestic Savings, 1966-1970.
Current Prices.

(Shs. million)

		1966	1967	1968	1969	1970
SOURCES OF INCOME:						
	G.D.P at Market Prices	6,568	6,878	7,260	8,246	9,370
Plus:	Net Factor Incomes received from abroad	−124	−135	−120	−126	−107
Plus:	Net Transfer Received from Abroad	8	0	−3	−17	−39
Equal:	TOTAL Disposable Income ..	6,452	6,743	7,137	8,103	9,224
USES OF INCOME:						
	Consumption	5,670	5,753	6,048	6,760	7,798
Plus:	Domestic Savings	782	990	1,089	1,343	1,426
	TOTAL DISPOSABLE INCOME ..	6,452	6,743	7,137	8,103	9,224

Table II—11. Investment and Its Financing, 1966-1970.
Current Prices.

(Shs. million)

	1966	1967	1968	1969	1970
Fixed Investment, Monetary Sector ..	774	925	967	1,035	991
Of which:					
Construction	323	396	445	495	495*
Plant, Machinery and Equipment	451	529	522	540	496
Of which:					
Government	157	166	221	298	n.a.
Private	617	759	746	737	n.a.
Change in Stocks, Monetary Sector	−8	−5	−1	130	127
TOTAL Capital Formation, Monetary Sector ..	766	920	966	1,165	1,118
Domestic Savings, Monetary Sector ..	657	848	944	1,121	1,264
Foreign Savings	109	72	22	44	−146
Monetary G.D.P at Market Prices ..	4,697	4,916	5,238	5,999	6,671
Fixed Investment Rate, Monetary Sector, per cent	16·5	18·8	18·5	17·3	14·9
Fixed Investment subsistence sector ..	109	114	113	119	122*
Change in stocks, subsistence sector ..	16	28	32	103	40
Domestic Savings, subsistence sector ..	125	142	145	222	162
Total Capital Formation	891	1,062	1,111	1,387	1,280
Total Domestic Savings	782	990	1,089	1,343	1,426

* Preliminary estimates only.

2.35 There were, however, substantial fluctuations in performance from year to year. Fixed investment in the monetary sector reached an all-time peak in 1969. It declined in 1970, most probably as a result of the unfavourable attitude of the Government of the time towards private investment. Over the first three years of the Plan, fixed investment grew on average by 10·2 per cent per annum, very close to the Plan target rate. These movements were reflected in the fixed investment rate for the monetary economy, which rose to a very high level in 1967, 1968 and 1969, and then declined in 1970.

2.36 There were also variations in the growth of the various categories of fixed investment. Construction investment grew very rapidly, reflecting the marked upsurge in road construction and office building activity. Plant, machinery and transport equipment investment also grew fairly fast, although activity stagnated in 1970. Government fixed investment grew very rapidly, particularly in 1968 and 1969, reflecting the substantially increased level of development spending achieved in those years. The data for private investment is derived residually, and must therefore be treated with caution. Nevertheless, private investment appears to have stagnated over the years 1967–69, possibly reflecting a lack of investment opportunities. Although no data is yet available for 1970, the downturn in plant machinery and transport equipment investment in that year indicates that private investment may have declined also. Subsistence investment, for which only very approximate estimates are available, grew quite steadily at just under 3 per cent per annum.

2.37 For both the monetary and subsistence sectors, stocks showed little change over the first two years of the Plan. In 1969, and again in 1970, stocks in the monetary sector of the economy rose sharply, following the very large coffee crops in those years. Subsistence sector stocks appear to have increased sharply in 1969, as a result of a large increase in the national livestock herd recorded in that year, although it appears that at least a part of the increase may arise from improvements in coverage of the annual livestock population estimates.

2.38 Reference has already been made to domestic savings, which showed fairly steady growth between 1966 and 1970. Foreign savings—equal to the overall deficit on the current account of the balance of payments—fluctuated, showing a gradual decline between 1966 and 1970, and becoming sharply negative in 1970, as a result of the jump in export earnings in that year.

Chapter Three

THE PLAN FRAMEWORK

I. Production

3.1 The primary goal of this Plan is to increase domestic production at the maximum feasible rate. Output must rise very rapidly in order to achieve a significant improvement in the living conditions of all our citizens, and this must be attained despite deteriorating terms of trade and a population growth rate higher than ever before. The projects, programmes and policies set out in the Plan are designed to contribute to the achievement of this basic target. Our success in implementing these measures is an essential requirement for the achievement of the growth objective. It must, however, be recognised that there still are and will be, for many years to come, some factors beyond our control which can have a profound influence on the extent to which the growth targets are feasible. In particular, the weather and the situation prevailing in world markets for our major export commodities are of fundamental importance in this respect.

3.2 The total production target of Plan III is to achieve, by 1976, a monetary gross domestic product at factor cost of Shs. 7,025 million, measured in 1966 prices. This represents an average annual growth rate of 5·6 per cent per annum over the eight year period between 1967/69 (calculated as an average of the historical figures for 1967, 1968 and 1969) and 1976. Since an acceleration of growth is expected, average annual growth over the Plan period 1971–1976 is expected to be higher than the 5·6 per cent target—probably above 6·0 per cent. The target is formulated in relation to an averaged historical base, rather than in terms of growth over the Plan period, for two reasons. First, a historical base is chosen rather than a projected base so as to eliminate any errors which might arise from inaccuracy in predicting economic performance in the last year of the Second Five-Year Plan. Secondly, the base is an average of three years in an attempt to make it more representative of historical performance, combining both good and bad years.

3.3 As can be ascertained from Chapter Two, the achievement of the Plan III production target would represent a significant improvement on performance during the Second Five-Year Development Plan. The target has been set after a careful examination of the constraints on the growth of the economy, and after taking into account the significantly increased development effort which will be made.

3.4 Table III—1 gives a sectoral breakdown of the growth target. It is not possible to make a detailed disaggregated projection of sectoral products with any accuracy. Table III—1, therefore, shows only a broad breakdown of economic

Table III—I.—Gross Domestic Product 1967/69–1976

(1966 Prices)

	1967/69 Average	1976*	Breakdown Total Product		Breakdown Monetary Product		Annual Average Growth rate 1967/69–1976
			1967/69 Average	1976	1967/69 Average	1976	
	Shs. million		%	%	%	%	%
Agriculture	1,623	2,375	24·7	24·4	35·6	33·8	4·8
Manufacturing including Crop Processing	556	996	8·4	10·2	12·2	14·2	7·6
Mining and Quarrying	109	116	1·7	1·2	2·4	1·7	0·5
Transport, Communications and Electricity	360	586	5·5	6·0	7·9	8·3	6·2
Services	1,225	1,782	18·6	18·3	26·9	25·4	4·8
Government	589	1,013	8·9	10·4	12·9	14·4	7·0
Construction	94	157	1·4	1·6	2·1	2·2	6·6
Total Monetary G.D.P. at Factor Cost	4,556	7,025	69·1	72·2	100·0	100·0	5·6
Subsistence Production	2,035	2,700	30·9	27·8			3·6
Total G.D.P. at Factor Cost	6,591	9,725	100·0	100·0			5·0

*Based upon achievement of the minimum cotton production target of 600,000 bales in 1976.

sectors whose derivation from the normal sectoral breakdown of Uganda's published national accounts is explained in the statistical note in the Appendix to this Chapter.

3.5 The target for the growth of agricultural product has been set after a careful assessment of sales prospects (in the export and domestic markets) on the one hand, and supply constraints on the other. Since production of coffee, the most important single agricultural commodity, is not expected to grow over the Plan period, the achievement of 4·8 per cent per annum growth in this sector will be a formidable task. Much of the growth will have to come from the development and expansion of output of other agricultural products whose sales prospects are not so limited, particularly tea, tobacco, cotton, livestock, and basic food crops. Simply because of the size of the agricultural sector and the impact of its performance on other sectors, achievement of the agricultural production target is imperative if the overall growth target is to be achieved.

3.6 Production will grow rapidly in both the construction and manufacturing sectors. In recent years, the share of construction activity in total fixed investment has shown a secular increase. With the sustained growth in the demand for housing, and the continued expansion of public sector construction activity, this trend is expected to continue. The average growth of construction product between 1967/69 and 1976 is estimated at 6·6 per cent per annum. The planned growth of manufacturing output is based upon the anticipated expansion in the domestic market, continued import substitution, and growth in manufactured exports. The mining and quarrying sector is expected to grow very slowly over the next few years because copper production, the most important activity in the sector, is not expected to increase significantly. The transport, communications and electricity sector will grow rapidly, mainly in response to the planned growth of the directly productive sectors of the economy. The growth of Government's product, although rapid, will be considerably lower than it has been in the past, as a result of the measures to restrict the growth of Government recurrent expenditure. The growth of the services sector will be faster than in the recent past. However, the growth of the sector will continue to be affected by the expected comparatively slow growth both of agricultural production, and of consumer imports.

3.7 The planned production of selected agricultural and manufactured commodities, expressed in physical terms, is set out in Table III—2.

3.8 The share of manufacturing in total monetary product will increase over the Plan period, although it is only expected to reach 10·2 per cent of total product by 1976. Although the data for the subsistence sector is weak, it is clear that the share of subsistence product in total G.D.P. will decline. Despite the fact that important differences in the growth rates of the various sectors of the economy are envisaged, there will be no dramatic change in the broad economic structure between 1967/69 and 1976. The process of economic diversification and change is a long-term one which will only become significant in statistical terms over a period far longer than that of the Third Plan. On the other hand, the figures in Table III—1 do not bring out the considerable diversification which is expected to take place within the agricultural sector over the Plan III period.

Table III—2. Production of Selected Commodities, 1967/69 and 1976.

	Units	1967/69 Average	1976	Annual Average Growth Rate 1967/69–76
				%
Arabica Coffee	'000 tonnes	13·6	20·0	4·9
Robusta Coffee	'000 tonnes	165·7	160·0	0·4
Cotton	'000 bales	398	600–1,000	5·3–12·2
Sugar	'000 tonnes	143·2	240–250	6·7
Tea	'000 tonnes	14·7	38·4	12·8
Fire-cured Tobacco	tonnes	1·4	3·0	10·0
Flue-cured Tobacco	tonnes	2·5	5·0	9·0
Fish	'000 tonnes	107·4	171·0	6·0
Spirits (Waragi)	'000 litres	339·5	680·0	9·1
Beer	million litres	20·5	49·0	11·5
Cement	'000 tonnes	155·7	400·0	12·5
Super Phosphate	'000 tonnes	18·3	32·3	7·4
Blister Copper	'000 tonnes	15·5	17·0	1·2

II. Market Expansion

3.9 Past Plans have emphasised the need to increase investment as an indispensable part of the strategy for accelerated growth. There is strong evidence, however, that in recent years a more serious obstacle to the expansion of output has been the operation of certain adverse factors on the demand side, in particular the limited size, slow growth and instability of markets. This is likely to have been of particular importance for the manufacturing sector, where sales difficulties have been widespread over the last five years; it is also true in the agricultural sector, where low income elasticities of demand and the characteristic fluctuations on the world market are both important impediments to the growth of marketed output. There is no doubt that a fast expansion of market opportunities, over the Plan period, would provide a basis for achieving a very rapid rate of growth, even with a moderate increase in investment.

3.10 There are, of course, limitations on the rate at which markets can be expanded. In the external market, Uganda faces a very difficult task in increasing her export earnings. Table III—3 presents an export projection for 1976, based upon an assessment of the prospects for expanding exports. For coffee, the single largest export, the total volume of exports is limited by the growth of Uganda's quota under the International Coffee Agreement (I.C.A.) and by the prospects for expanding non-quota sales. The present market situation indicates that quotas will only show very gradual growth, if any, over the next four years. At the same time, the development of barter arrangements by non-quota purchasers is making it increasingly difficult for Uganda to effect sales in these markets. In addition, if some countries which are at present outside the quota arrangements become members of the I.C.A., this may have an adverse impact on the total volume of coffee sales which Uganda can achieve, although the impact on export earnings will not be so serious. Overall, there is every likelihood that non-quota sales will decline quite sharply over the next few years. Export prices for coffee are very difficult to predict as far ahead as 1976. The projections in Table III—3 assume that quota and non-quota prices will continue to decline somewhat from the very high levels reached in 1970, but will not decline as far as the levels prevailing before the failure of the

Brazilian crop in 1969. Because of the assumed decline in non-quota sales, however, the average unit value of Uganda's coffee exports should show an increase.

3.11 With the present state of the world market for cotton, unless the U.S.A. changes its support arrangements for domestic farmers, prices should remain fairly steady. The value of cotton exports in 1976 will depend primarily upon the level of domestic production which can be attained. The production target for cotton is to achieve an output in the range 600,000—1,000,000 bales in 1976. By that year, domestic consumption of cotton for use in Uganda's textile mills will reach about 80,000 bales. The export volume of cotton is therefore estimated in the range of 520,000 to 920,000 bales in 1976.

3.12 The volume of tea exports should grow rapidly, in line with the growth of domestic production, although an increase in domestic consumption from its present low base is also expected. In the long run, world over-production of tea may lead to a decline in tea prices, or to an international agreement imposing quotas on producers in order to maintain price stability. In the latter event, prospects for Uganda's tea depend very largely on the way in which quotas will be determined. The projection in Table III—3 assumes a slight decline in prices from the average 1967/69 level.

3.13 The volume of sugar exports is determined by the surplus of production above domestic consumption, and by the state of the potential external markets for Uganda's sugar. By 1976, domestic consumption is expected to reach the range of 180,000 to 190,000 tonnes. Production is planned to grow to 240,000 to 250,000 tonnes by 1976, so that a surplus of 60,000 tonnes will be available for export. Production of sugar in neighbouring countries is growing rapidly, but demand is growing fast as well, so that by 1976, it is quite possible that Kenya will still provide a market for Uganda sugar exports. Overall, it should be possible to secure adequate export markets at about the export price at present prevailing.

3.14 For animal feeds, tobacco and hides and skins, the main restraint on the growth of export earnings is the growth of domestic production. In the case of animal feeds, production will be determined mainly by the growth of cotton production and the availability of cottonseed, although if a substantial increase in groundnut production can be achieved, increased processing of groundnut cake may be economic. Prices should remain steady. For tobacco, export volume is expected to grow rapidly with the increase in production, even after allowing for a fast increase in domestic consumption. Average tobacco export prices rose quite sharply in 1969 and 1970. Assuming no major change in present trends in the world tobacco market, it should be possible to secure some further improvement in prices in the next few years. For hides and skins, the volume of exports depends upon the growth of livestock off-take, which is expected to increase at 3 per cent per annum. The market prospects for this increased volume are uncertain. The demand for dried cattle skins is declining, and a fall in price is likely. On the other hand, there is a good demand for wire-dried goatskins, whose price should improve. In addition, with the establishment of a tannery, ill be possible to export hides and skins in a semi-processed rather than raw . Table III—3 takes account of the likely increase in unit values arising from development.

Table III—3. Exports: 1967/69 and 1976.

Commodity	1967/69 Average	1976	Annual Average Growth Rate 1967/69–1976
			%
ica Coffee:			
antity (metric tons)	18,337	20,000	1·9
ce (Shs. per metric ton)	5,700	6,600	
ue (Shs. millions)	104·6	132	2·9
sta Coffee:			
antity (metric tons)	145,560	140,000	-0·5
ce (Shs. per metric ton)	4,287*	5,443*	
ue (Shs. million)	624·0	762	2·5
Cotton:			
antity (metric tons)	62,170	94,000†	5·3
ce (Shs. per metric ton)	4,557	4,600	
ue (Shs. million)	283·3	433	4·1
tity (metric tons)	12,311	32,500	12·9
ce (Shs. per metric ton)	6,494	6,300	
ue (Shs. million)	80·0	205	12·5
antity (metric tons)	38,906	60,000	5·6
ce (Shs. per metric ton)	779	780	
ue (Shs. million)	30·3	47	5·6
al Feeds:			
antity (metric tons)	88,913	126,000	4·5
ce (Shs. per metric ton)	497	500	
ue (Shs. million)	44·2	63	4·5
cco.			
antity (metric tons)	2,443	5,000	9·3
ce (Shs. per metric ton)	8,129†	10,000‡	
ue (Shs. million)	19·9	50	9·1
and Skins:			
antity (metric tons)	3,756	4,800	3·1
ce (Shs. per metric ton)	6,661	7,300	
ue (Shs. million)	25·0	35	4·3
er:			
antity (metric tons)	15,749	17,000	0·2
ce (Shs. per metric)	8,463	8,500	
ue (Shs. million)	133·3	144	1·0
on Fabrics:			
antity ('000 sq. metres)	15,616	15,000	-0·5
ce (Shs. per sq. metre)	3·27	3·3	
ue (Shs. million)	51·0	50	-0·3
r Merchandise Domestic Exports (Shs. million)	175·9	279	6·0
port (Shs. million)	16·6	15	-1·3
handise Exports Adjustments (Shs. million)	-70·1	-100	
pts on the invisible account (Shs. million)	187·6	370	8·9
Total Exports (Shs. million)	1,705·6	2,485	4·8

* Weighted average of quota and non-quota prices.

† Based on achieving minimum production target of 600,000 bales.

‡ Weighted average of fire-cured and flue-cured tobacco prices.

3.15 For copper, export volume will show a gradual increase to 17,000 tonnes in 1976. World prices are assumed to remain at their 1967/69 average level, well below the high prices obtained in 1969 and 1970. With regard to cotton fabrics, it will be an achievement to maintain exports at their present volume and value, as is assumed in Table III—3. Other domestic exports are expected to grow rapidly in value, at an average rate of 6·0 per cent per annum between 1967/69 and 1970. Within this category, exports of electricity, beryl, wolfram, tin and scrap are not likely to show any appreciable growth; exports of all other commodities, mainly manufactured goods, are projected to grow by about 7·0 per cent per annum.

3.16 Re-exports are expected to continue the secular decline of recent years. Invisible exports are expected to grow very rapidly, at 8·9 per cent per annum, largely as a result of the very rapid growth of tourism which is planned.

3.17 Demand in the domestic market is governed by incomes. In the circumstances of Uganda, however, where a large component of total expenditure is spent on imports, any expansion of incomes tends to lead to an increased demand for imports and/or a rise in prices. The level of imports which can be financed is in turn limited by the export earnings of the economy, and the pursuance of policies which lead to substantial increases in the domestic price level is unacceptable. To achieve increases in the size of the domestic market, therefore, given the level of exports, every effort consistent with the maintenance of reasonable price stability must be made to reduce the import cost of economic expansion. There are three main avenues for this effort.

3.18 In the first place, since investment expenditures are a particularly import intensive component of domestic expenditure, all wasteful investment in the public sector, particularly that of a prestige nature, will be avoided. There is clear evidence that, in some cases in the past, insufficient attention has been paid to the productivity of new investments.

3.19 Secondly, a shift in the structure of consumption expenditure away from imports of goods and services will be fostered. In recent years, this has been achieved through severe restraint on the import of consumer goods by the private sector, which has probably been an important factor contributory to the rapid rise in the domestic price level. In the future, any further decline in the private sector's propensity to import is expected to arise mainly from the planned improvement in income distribution, since the expenditures of the lower income groups are predominantly directed towards locally produced commodities. This will be one of the main concerns of fiscal policy. Efforts will also be made to ensure that Government consumption economises on imports.

3.20 The third possibility lies in import substitution. Although this has been achieved with considerable success in the past, similar progress cannot be expected in the future, as many of the major opportunities have now been exploited. A market size far greater than Uganda's is required for the viable production of many of the very specialised products—particularly investment goods—which Uganda now imports. The danger is that pursuing an import substituting strategy beyond the limits set by our market size will adversely affect both our export competitiveness and consumer welfare, through increasing the estic price level. For this reason Government will adopt a more selective cautious approach to providing protection for import substituting activities. withstanding all the difficulties and dangers involved, Government will nsify its efforts to identify and promote all productive activities of an ort substituting nature whose viability does not depend upon an excessive ee of protection. Government's attitude to protection and to industrial pro-on is further elaborated in Chapter Eleven.

21 As a result of these measures, the proportion of imports in total invest-t and consumption expenditure is expected to decline from 30·3 per cent 967/69 to 25·4 per cent in 1976. The achievement of this decline is an ntial policy requirement for the attainment of the overall growth target he Plan. Given its achievement and the projections of consumption and stment (which are discussed more fully in subsequent paragraphs of this pter), the domestic market for Ugandan products is estimated to expand -9 per cent per annum between 1967/69 and 1976, a rate higher than the vth of consumption or investment expenditure.

Table III—4. The Growth of the Domestic Market.

Current Prices; Monetary Economy.

(*Shs. million*)

		1967/69 Average	1976	Annual Average Growth Rate 1967/69–1976
				%
	Consumption	4,270	8,611	9·2
	Investment	1,017	1,910	8·2
ls:	Total Expenditure on the Domestic Market	5,287	10,521	8·9
	Retained Imports*	1,602	2,667	6·6
ls:	Domestic Expenditure on Ugandan Products	3,685	7,854	9·9

* Retained merchandise imports plus invisible imports.

III. The Balance of Payments and Monetary Policy

.22 The growth of exports is a vital determinant of the growth of output ich can be attained. Increased export earnings not only increase domestic omes directly, but they also offer the opportunity for using monetary policy secure a general expansion of domestic incomes by providing foreign ex-nge to pay for the increased import requirements of such an expansion

3.23 The balance of payments projection for 1976 and historical data for 67/69 are presented in Table III—5. Over the period 1967/69, capital inflows re used more for increasing reserves than for financing a deficit on the rent account. In 1970, the picture changed dramatically, with a large surplus current account financing substantial net capital outflow. The strategy of the n is to shift gradually to a position where substantially increased capital lows are achieved, and, apart from financing some increase in reserves, are used gely to finance an increased deficit on current account. Since export earnings expected to grow only slowly up to 1976, this strategy will make it possible to finance a steady growth of imports, at a higher rate but from a lower initial level than exports.

3.24 Clearly, the achievement of a rapid increase in net overall capital inflows is vital to the success of this strategy. Government is determined to encourage foreign private investment, and the incentives which Government offers to this end are enumerated in Chapter Eleven. In addition, ways of improving the machinery for controlling private capital outflows of a speculative character will be carefully examined. With regard to official capital flows, the projection in Table III—5 is based on the ambitious target of doubling net receipts of this kind over the Plan period. This will require a major effort in negotiating, securing and utilising such finance. Chapter Eight analyses the steps which will be taken to overcome the obstacles which have been experienced in the past.

Table III—5. The Balance of Payments, 1967/69–76.

(*Shs. million*)

		1967/69 Average	1976
	Merchandise Exports	1,518	2,115
plus:	Invisible Exports	188	370
equals:	Total exports	1,706	2,485
plus:	Net Factor Incomes received	–127	–135
plus:	Net transfers received	–7	–13
plus:	Net private Capital inflow	8*	100
plus:	Net Official Capital inflow	110	270
equals:	Total foreign exchange resources available	1,690	2,707
less:	Minimum increase in Reserves required†	72	25
equals:	Permitted level of Imports	1,618	2,682
of which:	Merchandise Imports	1,353	2,374
	Invisible Imports	265	308

* Including errors and omissions.

† Reserve increase in 1967/69 is that actually realised, not necessarily corresponding to any minimum requirement.

3.25 Although every effort will be made to attract capital inflows, possible future effects on the balance of payments which capital repayments and interest and dividend payments could have will not be neglected. Uganda is fortunate in having a relatively light external debt burden at present. Table III—6 indicates that, although an increase in the burden is expected, it will amount to only 8·2 per cent of current account receipts by the end of the Plan period. To a considerable extent, the debt service burden in 1976 will result from commitments existing at the beginning of the Plan. There is normally a lag between initial capital inflows and the subsequent stream of outflows in the form of loan interest and capital payments or dividends. Apart from the very short-term arrangements such as suppliers' credits, most foreign private investment undertaken during the Plan will only cause an increase in outflows after 1976. Similarly, because of the favourable terms on which a large part of official capital inflows can be secured, usually with a substantial grace period before repayments fall due, debt service payments for new official loans secured during the Plan will not mount up until after the end of the Plan. This is particularly true since the use of contractor finance for Government development projects is being completely eliminated, not only because of the implications of these short-term arrangements for the balance of payments, but also because eir implications for Government's financial position and because of other isfactory features. As far as the period after 1976 is concerned, the position ld remain satisfactory if the terms on which official capital inflows have obtained in the past do not deteriorate or can be improved upon. iled calculations indicate that it should be possible to offset the impact of the cted increase in borrowings over the next few years by the non-Government or on commercial terms by substantial increases in borrowings by Govern- t on very favourable "soft" terms, so that the average terms for the l inflow of foreign capital are expected to show some improvement.

Table III—6. External Debt, 1967/69 and 1976

Current Prices

(*Shs. million*)

	1967/69	1976
l External Debt Payments	115	213
hich: Government	43*	78
Other	72	135
ss Receipts on Balance of Payments Current Account	1,833	2,599
t Service Payments as of % Current Account Earnings	6·3	8·2

Excluding the impact of a once-and-for-all amount of Shs. 156 million in 1969, relating to the redemption of U.E.B. stock. If this amount is included, the debt service burden is 9·1% of current account receipts in 1967/69.

3.26 Given the target growth for exports and the other expected movements the balance of payments account, it should be possible to permit imports increase to Shs. 2,682 million by 1976. Table III—7 sets out the structure of ports which is expected in that year, and compares it with the structure in 967/69. A rapid increase in fuel imports is expected, to meet the increased ansportation requirements of the economy, and the increased demands arising om industrial growth. The most rapidly rising item in this category will be nports of jet fuel which are expected to grow by 20 per cent per annum. Imports f construction materials, equipment and intermediate good imports will also

Table III—7. Import Requirements of the Plan*

Current Prices.

(*Shs. million*)

	1967/69 Average	1976	Annual Average Growth Rate 1967/69–1976
			%
Intermediate Goods	297	618	9·6
Construction Materials	83	200	11·6
Equipment	283	477	6·7
Food, Drink and Tobacco	119	169	4·5
Consumer Manufacturers	327	465	4·5
Fuel	61	150	11·9
TOTAL Retained Merchandise Imports	1,170	2,079	7·4
Re-exports	17	15	
Import Adjustment	166	280	
Invisible Imports	265	308	1·9
TOTAL Import Bill as in Balange of Payments account	1,618	2,682	6·5

grow rapidly. The growth of imports of food, drink, tobacco and consumer manufactures will be considerably slower, both as a result of import substitution and the effect on consumer import demand of improvements in income distribution. The slow projected growth in invisible imports assumes particular restraint on the growth of Government invisible imports and on travel abroad.

3.27 The main role of monetary policy in an economy like Uganda's is to ensure that import demand is kept at the limits dictated by the foreign exchange situation and to maintain relatively stable prices. In recent years the very rapid expansion of the money supply has arisen from Government's reluctance to increase taxes and from the inability to find alternative non-inflationary sources of finance for a very fast growth in total expenditure. Although Government's capacity to spend has increased, and substantially higher levels of development expediture than this Plan envisages could probably be achieved, the overall size and growth of Government's expenditure during the Third Plan has been determined after a careful analysis of the potential for and desirability of increased tax revenues, the scope for borrowing from sources other than the Bank of Uganda and the money supply requirements of the Plan. The growth of money supply over the Plan period will be maintained at about the same rate as the planned growth of monetary G.D.P. at current prices.

IV. Incomes and Consumption

3.28 Although the rate of growth of total output implied by the monetary G.D.P. growth target is 5·0 per cent per annum between 1967/69 and 1976, real income and consumption will both grow at slightly lower rates over this period. Real income growth will be lower than the growth of output largely because of expected adverse changes in Uganda's terms of trade. In 1970, the price paid for the commodities which Uganda exports—particularly coffee—increased sharply. Indications are that by the end of the Plan period, export prices will, on average, be no higher than in 1970, and will in all probability be rather lower. Import prices on the other hand have risen in recent years, and are expected to continue to rise in future. Thus the physical quantity of imports which can be purchased with the proceeds of each physical unit of exports sold will decline. In real terms, the income arising from domestic production will grow more slowly than domestic production itself. The expected impact of this phenomenon is quantified in Table III—8. While real domestic product is expected to grow by 5·0 per cent per annum between 1967/69 and 1976, real domestic factor income is expected to grow by 4·8 per cent per annum over the same period. As a result, national disposable income at constant prices is expected to grow at 4·9 per cent per annum.

3.29 The deterioration in the terms of trade will also affect the growth of real consumption. Over the 1967/69–1976 period, real consumption is expected to grow by about 4·9 per cent per annum.

3.30 Population is expected to increase by an average of 3·4 per cent per annum over the Plan period. Even if a family planning programme is vigorously implemented during the Plan, this will only have an impact on population growth in subsequent plan periods. Income and consumption must, therefore, rise by 3·4 per cent per annum simply to maintain existing per capita levels. Only increases in income and consumption above this rate will contribute to an improvement in the average living conditions of the population. It is thus easy to see the magnitude of the task ahead. Between 1967/69 and 1976, real per capita disposable income and consumption will grow by 1·6 per cent and 1·5 per cent respectively.

Table III—8. Incomes, Consumption and Domestic Savings, 1967/69 and 1976

(Shs. million)

		1967/69 Average	1976	Annual Average Growth Rate 1967/69–1976
		Current Prices.		%
	MONETARY ECONOMY:			
	Monetary G.D.P. at Factor Cost	4,665	8,917	8·4
plus:	Indirect Taxes less Subsidies	710	1,407	8·9
equals:	Monetary G.D.P. at Market Prices	5,375	10,324	8·5
plus:	Net Factor Incomes received from Abroad	–127	–135	
plus:	Net Transfer received from Abroad	–7	–13	
equals:	Monetary National Disposable Income	5,241	10,176	8·6
of which:	Consumption—Monetary Sector	4,270	8,611	9·2
	Domestic Saving—Monetary Sector	971	1,565	6·1
	SUBSISTENCE ECONOMY:			
	Subsistence Product	2,086	3,452	6·5
of which:	Consumption—Subsistence Sector	1,917	3,190	6·6
	Saving—Subsistence Sector	169	262	5·6
	TOTAL ECONOMY:			
	National Disposable Income	7,327	13,628	8·1
of which:	Consumption	6,187	11,801	8·4
	Domestic Savings	1,140	1,827	6·1
		1966 Prices.		
	G.D.P. at Factor Cost	6,591	9,725	5·0
	Domestic Factor Income*	6,591	9,599	4·8
	National Disposable Income	6,995	10,280	4·9
	National Disposable Income per capita (Shs.)	755	857	1·6
	Consumption	5,676	8,311	4·9
	Consumption per capita (Shs.)	613	693	1·5

* Equals G.D.P. at Factor Cost corrected for changes in the terms of trade.

V. Investment

3.31 If the output growth targets are to be achieved, substantial investment in new productive capacity and in supporting services is essential. A sustained increase in production cannot be achieved unless productive capacity is expanded as well. One of the major tasks of planning is to identify physical bottlenecks in the growth process and to design projects which through removing the barriers to growth provide a high return to society. Equally essential is investment in social services. This is needed not only to improve the level and quantity of services provided—education and health are obvious examples—thus directly improving well-being within the community, but also because in the longer run, through improving the skills and health of the labour force, the growth potential of the economy is enhanced.

3.32 It is, however, necessary to recognise the limits to increasing fixed capital formation. A limit to the level of investment in the social services is set both by Government's present financial position, and by the problem of financing the recurring costs which follow. The same is true of investment in roads, and in other non-directly remunerative infrastructure. For directly productive capital formation, the limited size of the domestic market and the slow growth of export markets are very real obstacles. Given these limitations, the Plan envisages no increase in the investment rate in the monetary economy between 1967/69 and 1976. This may appear to be a modest target, but because of the rapid growth in monetary G.D.P. which is expected, its achievement involves an average growth of fixed investment in current prices of 8·4 per cent per annum between 1967/69 and 1976. Such a growth should be sufficient to provide additional capacity for the growth in output which is expected.

3.33 The breakdown of the growth of capital formation and its financing is shown in Table III—9. Of total fixed capital formation in the monetary sector during the Plan of Shs. 7,700 million, about half will be executed by the private sector. Government investment is planned to amount to Shs. 1,600 million, and parastatal investment is planned to be a similar amount. Within the fixed investment category in the monetary sector, construction investment is expected to grow most rapidly (*see* paragraph 3.6) and will amount to Shs. 970 million by 1976. The growth of fixed investment in the subsistence sector is projected to follow the long-term trend.

Table III—9. Investment and its Financing, 1967/69 and 1976

Current Prices.

(*Shs. million*)

	1967/69 Average	1976	Plan Period	Annual Average Growth Rate 1967/69–1976
				%
Fixed Investment, Monetary Sector	976	1,858	7,700	8·4
of which: Government	202	392	1,600	8·6
Local Authorities and District Administrations	26*	85	350	
Parastatals	748	400	1,600	7·9
East African Community		85	350	
Other		896	3,800	
Change in Stocks, Monetary Sector	41	52		
TOTAL Capital Formation, Monetary Sector	1,017	1,910	—	—
Domestic Savings, Monetary Sector	971	1,565	—	—
Foreign Savings	46	345	—	—
Monetary G.D.P. at Market Prices	5,375	10,324	—	—
Fixed Investment Rate, Monetary Sector (Per cent)	18	18	—	—
Fixed Investment, Subsistence Sector	115	190	—	6·5
Change in Stocks, Subsistence Sector	54	72	—	—
Domestic Savings, Subsistence Sector	169	262	—	—
TOTAL Capital Formation	1,187	2,172	—	—
TOTAL Domestic Savings	1,140	1,827	—	—

* Probably a gross underestimate.

Note: The figures in the first, second and last columns of this table relate to calendar years and therefore differ from the figures in Chapter 8, which relate to financial years.

3.34 In accordance with the balance of payments strategy outlined earlier in this Chapter, foreign savings are expected to grow rapidly. Domestic savings in the monetary sector will also grow steadily at 6·1 per cent per annum. If the growth of national disposable income which is planned is achieved, there should be little difficulty in achieving this rate of growth.

VI. The Source and Use of Resources

3.35 Table III—10 summarises the source and disposal of real resources available to the economy. Domestic production is expected to provide an increasingly larger proportion of resources available—growing from 82·2 per cent in 1967/69 to 83·7 per cent in 1976. On the "uses" side, consumption will grow most rapidly, increasing its share of the use of resources from 68·1 per cent in 1967/69 to 71·7 per cent in 1976. The share devoted to capital formation is expected to remain constant at about 13·1 per cent, while the share devoted to exports is expected to decline from 18·8 per cent in 1967/69 to 15·1 per cent in 1976. These movements reflect the comparatively moderate growth of capital formation which will be necessary to expand output, the reduction in the dependence of the economy upon imports which is expected, and the increasing deficit on the balance of payments current account which is planned.

Table III—10. The Source and Use of Real Resources. 1967/69 and 1976

Current Prices.

(Shs. million)

		1967/69 Average	1976
	GDP at Market Prices	7,461	13,776
plus:	Imports of Goods and Services	1,618	2,682
equals:	TOTAL Resources	9,080	16,458
	Gross Capital Formation	1,187	2,172
plus:	Exports of Goods and Services	1,706	2,485
plus:	Consumption	6,187	11,801
equals:	TOTAL Uses of Resources	9,080	16,458

The production and retained merchandise import sectoral breakdowns used in t Chapter differ from the official breakdowns normally published. The information bel relates the production and import sectors used in the Chapter with the breakdo of the official series.

PRODUCTION SECTORS

Plan Chapter.	*Official Series.*
Agriculture	Agriculture and Hunting.
	Forestry.
	Fishing.
Manufacturing including Crop Processing	Manufacturing—large scale.
	Manufacturing—small scale.
Mining and Quarrying	Mining and Quarrying.
Transport, Communications and Electricity	Transport and Communications.
	Electricity and Water.
Services	Wholesale and Retail Trade, Restaura and Hotels; Financing, Insurance, R Estate, Business Services; Social a Personal Services; Private and N Profit Services.
Government	Government Services.
Construction	Construction.

RETAINED MERCHANDISE IMPORT SECTORS

Plan Chapter.	*S.I.T.C. End-Use Code.*
Intermediate Goods	21, 22, 23, 25, 41 and 42.
Construction Materials	24.
Equipment	31, 32, 33 and 34.
Food	11, 12 and 13.
Consumer Manufactures ...	51, 52 and 61.
Fuel	26.

Chapter Four

EXTERNAL TRADE POLICY

Jganda's external economic relations play a critically important role levelopment of the country's economy. These relations embrace inter- flows of resources in the form of goods, services, capital funds and er. The present Chapter is confined to matters affecting Uganda's ity trade with other nations, issues pertaining to other aspects of the s external economic relations being discussed elsewhere in the Plan. nore, this Chapter treats only broad questions of external trade and policies. A description of the structure and recent performance of s external trade sector, the individual prospects regarding the country's xports and quantitative projections of exports and imports over the period, are contained in relevant sections of Chapters Two and Three.

External trade promotes the country's development by enabling the economy to produce, in excess of its direct requirements, those goods h it is best equipped to produce, and to obtain from the most efficient hose goods which it needs for consumption or production purposes but produce efficiently or at all. Trade, thus, permits a more rational n of the country's productive resources than would otherwise be possible. context of Uganda, as is emphasised in Chapter Three, there are very ositive relationships between the growth of exports, the growth of the , and the capacity to import. Indeed, the realised growth in export is expected, through its impact on total resources and on the capacity rt and to meet our other international payments, to be the crucial ıant of the Plan III overall growth target.

The goal of Uganda's external trade policy is to maximise the economic from our trading relations with the rest of the world, within the rk of the country's national development objectives. More specifically, is to achieve the maximum possible growth in export earnings, to e fluctuations in these earnings, and to allocate export and other foreign e receipts to those imports which contribute most to the welfare of le and development of the country.

There are a number of factors which fundamentally affect Uganda's trading, potential and prospects. The most important of these are:—

the resource endowments and present state and structure of the economy e country—the small geographical size and landlocked location of the ry; the excellent natural resources for agriculture; the absence of large its of known mineral resources; the low levels of skills, capital, technology, verage incomes; and the predominance of agriculture in total economic y;

(*b*) historical connections which have shaped our economic relations with particular foreign countries and have influenced the development of the country's foreign trade marketing channels and other infrastructure;

(*c*) Uganda's participation in various multilateral and bilateral trading and other economic co-operation arrangements of a formal character;

(*d*) the situation and developments in the rest of the world—growth in incomes, patterns of demand and production, technological developments and trading policies of foreign countries.

The strategy for the development of Uganda's external trade consists in the fullest exploitation of the potential offered by and the minimisation of any disadvantages entailed in these factors, in relation to the objectives stated in the preceding paragraph. This is the context of the policies and measures discussed in the rest of this Chapter.

I. Export Production Strategy

4.5 The growth of Uganda's export earnings is subject to two sets of constraints. On the one hand, there are problems encountered in expanding the output and export of those products which, in a technical sense, Uganda can produce and for which, within the relevant time context, foreign markets are reasonably assured. Excluding products which Uganda's known resources clearly do not allow (*e.g.* certain mineral products and highly complex manufactures), the most important case of a product whose export is at present limited fundamentally by supply difficulties is cotton. Other examples are copper, certain other minerals, tea, tobacco, fresh vegetables, oil seeds, maize, soya beans, meat and other livestock products, and a whole range of manufactured items. The problem with this group of product is not always merely the difficulty to realise larger volumes of output but, quite often, the inability to compete effectively in foreign markets. The factors contributing to the problem are diverse and many of them are interrelated—inadequate incentives to producers (including faulty domestic pricing policies), poor quality of product, inappropriate production techniques, general production inefficiency, transport difficulties, inadequate domestic and external marketing arrangements, and others.

4.6 On the other hand, there are products which Uganda can produce very easily and competitively but whose export is inhibited primarily by an insufficiency of demand in foreign markets. Some of the more important Uganda products facing this problem in present circumstances are coffee, tea, sugar, and possibly some simple manufactures. In the long run, however, most primary products suffer from this constraint due to the low income elasticities of demand for them in the main markets, competition from synthetic substitutes, and increasing capital—and skill—intensive industrial technology. These are demand problems faced by most primary producing countries in the less developed world. They are aggravated by the competitive development strategies among the developing countries and the protectionist policies of the developed countries. In the case of Uganda, some additional causes of export disposal difficulties have been inadequate acquaintance with foreign markets, insufficient aggressiveness in export sales activities, the slow progress in exploring and breaking into non-traditional markets, and deficiencies in the organisation of export marketing.

4.7 Quite apart from limitations on the growth in total export earnings, Uganda's export performance has been characterised by fluctuations which have had harmful direct effects on the welfare of large sections of the population and on overall economic growth. These fluctuations reflect changes in quantities exported and/or prices realised. Their root cause, however, is in the very structure of our export sector—the limited range of export items (mostly primary products), the predominant role of just two agricultural commodities in this range, and of less importance, the reliance on a small number of foreign markets.

4.8 The export policy of Plan III consists of action directed at the alleviation of the complex of obstacles and other unfavourable factors of the type mentioned in the preceding three paragraphs. In summary, the measures comprised in this policy include: the identification and support of a wider range of efficient production activities with an export potential; the active support of formal international arrangements and other efforts for the stabilisation of commodity prices, the promotion of exports from less developed countries, and the expansion of world trade generally; steps to exploit non-traditional markets in developed countries; the strengthening of existing regional economic co-operation with neighbouring countries and the extension of such co-operation to other countries; the improvement of institutional arrangements for the export of Uganda's products; and the organisation of a more efficient and ambitious export sales promotion campaign. In all its facets, the policy emphasises the overriding fact that, over the period of Plan III, any significant growth in total export earnings must involve an expansion in quantity and/or a rise in the price of the three or four present major export items. This is why, in spite of our great need to diversify the range of export products, efforts must continue to be made to bring about greater export sales of cotton, coffee, copper and tea. The prospects for this in the Plan III period are summarised in Chapter Three.

4.9 The more important policies and projects for the expansion and improved organisation of domestic production and marketing during Plan III are described elsewhere in this document. Running through most of the relevant proposals, is the emphasis to be placed on developing production for export. In addition to the main export products, the Plan III production programme lays appropriate stress on the expansion of the output of such primary products as groundnuts, sim-sim, cocoa, citrus, silk, haricot beans, soya beans, horticultural and floricultural crops, and others, all of which are considered to have an immediate export potential and are being developed for the exploitation of that potential. Investigations are being carried out on a number of other crops (such as pyrethrum, begarua, pineapples) which may also have significant export possibilities. Other primary products whose Plan III expansion programmes are geared mainly to domestic consumption but which could develop into important export items include beef, fish, sugar, maize and sorghum. The mineral exploration programme is also an element in the total effort to increase the production of primary products for export.

4.10 Although in the short run the growth of Uganda's export earnings will depend on the expansion of primary exports in conformity with the country's resource endowments, in the longer-term context the intention is to gradually increase the relative importance of non-primary exports in our external trade. This shift is indicated by the generally discouraging long-term demand prospects in the main markets for primary products, and the chronic instability inherent in primary export earnings. The diversification of the range of primary exports is therefore only part of the export development strategy. There has also got to be an increasing degree of diversification away from primary to manufactured and semi-manufactured goods. The Plan proposals for industrial development (*see* Chapter Eleven) are formulated partly with this objective in view.

4.11 The processing of primary products, which constitutes a large component of the development of industrial activity which is envisaged over the Plan period, is an obvious area for expanding the production of non-primary exports, as it rests on distinct resource advantages. It is Government policy to expand the range of primary products on which processing is undertaken locally, and to progressively increase the degree of domestic processing before the eventual export of such products. The elementary processing of primary products for export is only one type of industrial activity based on a dominant raw material whose availability increases the comparative advantage of undertaking the activity locally. Other examples of resource-based industries considered to have an export potential are processed foods, textiles, garments, cigarettes, starch, tanned products, wood products, cement, phosphatic fertilizers and steel parts. Finally, there are a number of mass consumption goods industries in respect of which special circumstances render Uganda a potential export producer. Matches, footwear, enamelled products, simple agricultural implements and plastic articles are examples of this latter category of manufactures.

4.12 The promotion of export production is related to the two types of constraints referred to in paragraphs 4.5 and 4.6. Thus, in some cases the stress is on the expansion of output as such, while in others it is on measures, such as quality improvement, aimed at increasing Uganda's share of the limited world markets. In all cases, however, the strategy is to initiate or expand production only in those fields in which Uganda can reasonably be expected to develop into a truly efficient producer, considering both the domestic and export markets—that is, fields in which Uganda's comparative advantage is greatest. In particular, industrial protection policy will not be used in such a manner as to frustrate the emergence of competitive export-oriented industries, as this would harm the long-term basis for continued industrial expansion in the country. Subject to this caution, various forms of assistance and incentives will be given to enterprises with an identified export potential. New fiscal and other financial incentives are being explored for application in cases where it is clear that they would facilitate a particular export activity. In the allocation of credit funds, Government and its financing institutions will give special consideration to export-oriented activities. More details of the support to be given to export production are given in Chapters Ten and Eleven. In addition, a variety of measures to assist export sales are planned, and these are described in Section IV of this Chapter.

II. Trade Relations with Developed Countries

4.13 For various economic and historical reasons, the bulk of Uganda's trade is at present conducted with the developed countries of the world—mainly Western Europe, the United States of America, and Japan—and the circumstances governing our transactions with these countries are therefore of crucial importance to our total foreign trade performance. There are a number of factors which operate in such a manner as to restrict the growth of our trade with developed countries, particularly our access to their markets. Apart from the economic problems related to domestic supply conditions and the inelastic state of demand in foreign markets, both of which have already been mentioned, there are a variety of "policy" barriers imposed by the developed countries against imports from less developed countries. These barriers vary from country to country and they affect different commodities differently, but they extend to a number of products traditionally exported by Uganda as well as others in which Uganda has the potential to develop an export trade. The barriers are in the form of tariffs, other levies, quantitative restrictions, agricultural support policies, and a whole range of administrative restrictions; and they often operate in a discriminating way against imports from developing countries.

4.14 Uganda will play her full part in the continuing multilateral endeavours directed at the eventual elimination of all barriers affecting not only our major traditional export products but also our prospects with regard to manufactured and semi-manufactured exports. In common with the position of most developing countries, Uganda maintains, *inter alia,* that such barriers should be removed by the developed countries on a non-reciprocal basis, that the developed countries should accord a measure of preferential treatment to the exports of less developed countries, and that special consideration needs to be given to the least developed of the less developed countries. In general, the position is that world trading relations need to be reorganised so as to enable trade to play its true role in the development of the less developed countries. The significant moves that have been made in this direction in recent years are commendable. Uganda, however, believes that there is still considerable scope for bringing about further improvement, under the auspices of the major international forums that have been created for this purpose. Uganda will use its membership of the GATT and, more importantly, the UNCTAD, to make its contribution to the multilateral efforts for the development of world trade generally, and the promotion of our exports to the developed countries.

4.15 Uganda participates in several formal and informal multilateral and bilateral arrangements which regulate the flow of a number of the more important of our export products to particular overseas markets, especially markets in developed countries. Jointly with Kenya and Tanzania, Uganda is a signatory to the Arusha Convention of 1970 under which the Partner States of the East African Community, on one hand, and the Member States of the European Economic Community, on the other, grant special entry privileges for a range of one another's exports. For a considerably longer period, Uganda, as a member of the Commonwealth, has been part of the Commonwealth Preference Area, which fact grants certain of our exports non-reciprocal preferential entry into the British market. Also, Uganda participates in the Commonwealth Sugar Agreement which entitles Uganda raw sugar, under certain conditions, to a degree of preferential entry into Britain. The various trading arrangements stemming from Uganda's membership of the Commonwealth would undergo considerable modification if Britain joins the European Economic Community, as may happen soon. Uganda is concerned that this eventuality does not entail a diminution of any of the trading privileges we currently enjoy. In concert with the other Partner States in the East African Community, ways of ensuring this are being explored, and it may be found necessary to revise our association agreement with the European Economic Community.

4.16 Apart from the Commonwealth Sugar Agreement, Uganda is a member of two formal international commodity agreements—the International Coffee Agreement and the International Sugar Agreement—under which negotiated quotas are allocated to our coffee and sugar exports, respectively, to those markets where the operation of the agreements helps to maintain relatively high prices. Of the two agreements, it is the International Coffee Agreement which is, at present, of important relevance to Uganda's external trade, as it relates to the country's most important export commodity. However, the International Sugar Agreement is also likely to acquire increasing significance, considering Uganda's great potential for expanding sugar production. Uganda also participates in the informal international tea agreement operated by the Food and Agricultural Organisation's Consultative Committee on Tea. This agreement subjects Uganda's tea exports to quotas determined through periodic consultations among the main tea exporting countries. Uganda will continue to uphold the various international commodity agreements to which it is a party, and to promote their effective operation. Uganda will also support moves to evolve similar arrangements for the better regulation of trade in and stabilisation of prices of other commodities which are of present or potential importance to our economy. Always, Uganda will strive to ensure that her special interests, as a developing country heavily dependent on a narrow range of exports, are properly safeguarded by any commodity agreement in which she participates.

4.17 In the field of bilateral trading agreements, mention must also be made of the steps that have been taken to secure for Uganda's sugar a quota in the lucrative United States market, a move whose success would significantly improve the country's export production basis. As a further measure to expand our total export trade with developed countries and also to diversify the direction of such trade, special efforts are to be made to increase, from its very low present level, our trade with the centrally planned economies of Eastern Europe. As incomes continue to rise in these countries, their potential as export markets is growing considerably, and Uganda must do all that is necessary to capture a share in the increasing opportunities offered. To this end, and subject to our various international obligations, Uganda will seek to enter into bilateral trading agreements with countries in Eastern Europe on terms which, taking into account any reciprocal obligations on our part, are at least as favourable as those obtainable in our trading relations with other developed countries. This will be supplementary to our participation in the continuing efforts, especially in UNCTAD, to persuade the centrally planned economies of Europe to adopt an increasing liberal policy towards exports of the developing countries generally.

III. Trading Relations with Other Developing Countries

4.18 Although most of Uganda's trade is currently conducted with developed countries, considering the complex problems of expanding further in this direction, external trade development strategy for the future places increasing emphasis on the expansion of trade with other developing countries, particularly those which are neighbours to Uganda. This emphasis is directed by three fundamental considerations. In the first place, demand for our exports is likely to be more income elastic in the markets of developing countries than is the case in developed countries. Secondly, access to the markets of developing countries faces much less severe competition, on economic grounds, from domestic producers than is faced in the markets of developed countries. Finally, the expansion of trade with our neighbours would enable Uganda and her trading partners in the region to establish non-agricultural enterprises of a scale sufficiently large to permit them to compete effectively in the markets of developed countries.

4.19 While Uganda's geographical location may be considered disadvantageous from the point of view of exporting to overseas markets, it offers distinctly favourable possibilities in the way of trade with other countries in our region of Africa. There are more than 20 million people in those parts of Kenya, Tanzania, Zaire, the Sudan, Rwanda and Burundi which are in the immediate neighbourhood of Uganda. Added to Uganda's population of 10 million, this constitutes a sizeable market whose potential could grow phenomenally as incomes in the region increase. Moreover, the access of overseas competitors to this market is encumbered by the fact that the most convenient seaport serving the region is some 1,000 kilometres away, so that any economic activities established within the region would enjoy considerable transport cost protection against external sources of supply.

4.20 There is thus tremendous scope for trade among countries in the region in a wide range of foodstuffs, raw materials and processed and manufactured goods. On the basis of existing demand and production capabilities, some of the products in which a considerable volume of intra-regional trade could be developed are meat, fish, milk, butter, wheat, maize, rice, other cereals, vegetables, fruit, sugar, confectioneries, margarine, spices, tobacco, cigarettes, wood, furniture and other wood products, oil seeds, vegetable oils, salts, certain oil refinery products, cement, glassware, ceramics, soaps, paints, fertilizers, rubber manufactures, plastic articles, paper products, textiles, clothing, footwear, household utensils, finished structural parts, iron sheets, bicycles, simple agricultural equipment, electrical equipment, and a variety of other simple manufactures. Particularly in the field of trade in manufactures, perhaps no other region of Africa offers similar opportunities, even with present levels of income. A large proportion of the requirements of the region for manufactures, including processed foods, is imported from outside the region, although it is known that many of these could be competitively replaced by local supplies. As incomes grow, these possibilities will increase, and the scope for trade in raw materials and even higher order manufactured consumer and capital goods will also expand. All the countries in the region stand to gain considerably from the exploitation of this potential for trade, and the central location for Uganda in the region renders her especially favoured in this respect.

4.21 There are, however, a number of problems to be solved before Uganda can significantly expand trade with her neighbours. Due largely to historical reasons, many of the production activities, trade channels, and transport facilities, in the countries of the region have been geared primarily to trade with more developed countries outside the region. Partly because of this, the various countries in the region have, in the main, undertaken lines of development which are competitive rather than complementary to one another. Foreign exchange problems and the need to foster domestic productions have led the countries to operate import restrictions against products which can most easily be supplied by other countries in the region. It is also likely that the existence of heavily protected national markets for many products has acted as a disincentive to producers to mount effective export drives in neighbouring countries. Finally, the aid-tying practices of developed countries do constitute a limitation on the growth of trade within the region. If intra-regional trade is to develop between Uganda and her neighbours, there has therefore got to be deliberate and concerted action, on the part of the Governments concerned, to reduce or eliminate the barriers which effect this trade at present. In addition to negotiated mutual concessions on tariffs and restrictions, a move must be made towards the effective co-ordination of investment plans so as to ensure that development in the various countries promotes rather than frustrates trade within the region. Facilitating payment arrangements, marketing channels and transport connections must also be created concomitantly. Uganda will support and, as appropriate, initiate steps to bring about the necessary international co-operation in all these fields, always striving to ensure that any resultant growth in trade is shared equitably among the countries involved.

4.22 The most important single institutional factor affecting Uganda's trade with her neighbours is the country's membership of the East African Community and the Common Market incorporated therein. This grants our products a large measure of access, on reciprocal preferential terms, to the markets of the other Partner States in the Community, but it also entails obligations which conditions our trade with third countries. Already, a considerable volume of Uganda's trade is conducted within the Community, but the full potential for such trade has hardly been touched. In particular, Uganda will exert all her influence through established consultative channels, for the realisation of better co-ordination of the investment and other planning activities of the Partner States, with a view to facilitating trade and enabling the establishment of more efficient units of production within the Community. In this regard, there is much scope for negotiated specialisation arrangements among plants in the various industrial sub-sectors, and for the co-ordinated allocation of multi-national industries in general. Similarly, Uganda will continue to support current efforts to explore the possibilities for planned complementarity in agricultural activity among the Partner States, and the eventual evolution of a common agricultural policy, as is required by the Treaty for East African Co-operation.

4.23 The effective promotion of harmonised development of the type indicated above will require the re-examination of several of the policies and practices of the Partner States as well as of certain features of the Treaty for East African Co-operation itself. The operation of the transfer tax system, for example, may have stimulated industrial development in the less industrialised Partner States, but it is also likely to have assisted competitive rather than complementary industries in the Community. The tax may, thus, have a more serious impact on the growth of trade within the Community in the long run than is immediately apparent. Likewise, Uganda will continue to urge upon her Partner States the need for continual review of their fiscal incentives, customs rebate policies, industrial licensing, state trading practices, and other relevant policies so as to ensure that they are consistent with the generation of the maximum possible volume of trade, on the basis of complementary development among the Partner States. It is with this objective in view that Uganda fully supports the current investigations directed at the harmonisation of the fiscal industrial incentives operated by the Partner States.

4.24 In line with our concern for the expansion of economic co-operation with all countries in our region of Africa, Uganda will continue to support negotiations for the extension of the membership of the East African Community to other countries in Africa. Notwithstanding these negotiations, but subject to our obligations under the East African Co-operation Treaty, Uganda will intensify her efforts to secure increased trade and other economic co-operation with neighbouring countries outside the Community. In these efforts, the possibility of concluding formal bilateral trade treaties and payments clearance arrangements will be fully explored. Of more importance in the long run, Uganda will seek to set up with her neighbours arrangements for the co-ordinated development of specific industries and other economic activities, in such a fashion as promotes the most efficient production (given the resource endowments of the respective countries) and permits the greatest flow of trade within the region. Finally, in the various measures for export sales promotion (described in the following section of this Chapter), special emphasis will be laid on the fullest exploitation of all opportunities for expanding sales in neighbouring countries.

4.25 There is no doubt that the relative capacity of transport links has seriously hindered the expansion of trade between Uganda and her neighbours inside and outside the East African Community. As can be ascertained from Chapter Fourteen, Uganda is playing her full part in ameliorating difficulties arising on this account. Considerable up-grading work is under way or planned on the major road links with all countries neighbouring to us. Given corresponding action on the other side of the borders, this should greatly facilitate intra-regional trade. Uganda considers inter-state road development to be an area where co-ordinated investment planning among the various countries concerned is highly desirable. It is in this spirit that the Government fully endorses the principle of the Trans-African Highway (to run from Mombasa in Kenya to Lagos in Nigeria), which project is under active study. Uganda will continue to impress upon her Partners in the East African Community the great need to develop and expand transport connections not only within the Community, but also between East Africa, on one hand, and neighbouring countries to the north, west and south, on the other. In Chapter Fourteen, mention is also made of the plans to develop Entebbe Airport into a full-fledged international cargo port and of other plans for the development of internal air-freight services. All these plans have great relevance to the expansion of trade with neighbouring countries.

IV. Export Marketing and Sales Promotion

4.26 An appropriate production strategy, favourable trading conditions and special relationships and co-ordinated development with neighbouring countries are all basic requirements for expanding Uganda's exports. It is equally true, however, that any opportunities opened up by action on these various fronts can only be adequately exploited through an efficient marketing system and a sales promotion campaign far more ambitious than has been attempted in the past. While much of the responsibility for export marketing falls directly on private enterprise, Government also has an important role to play both in the direct handling of export products and in assisting the activities of the private sector.

4.27 Elsewhere in this Plan, mention is made of the plans to reorganise State-owned marketing organisations and to review their operating principles in general. This is with a view to enhancing the efficiency with which the responsibilities of these bodies are discharged, and to ensure that their sales policies support the overall export production strategy and lead, in any given circumstances, to the greatest volume of sales on the most favourable terms obtainable. The planned abolition of the monopoly export trading rights of the Export and Import Corporation is intended to stimulate more imaginative sales activity by allowing greater scope for deploying the special expertise of private organisations in this field.

4.28 It has already been noted, in the discussion of the export production strategy, that ways of increasing the range of fiscal and other financial incentives to export-oriented production activities are being explored. Investigations are also being conducted into the possibilities of setting up effective export credit and export credit insurance facilities, possibly as a regional multi-national scheme. Meanwhile, immediate action is to be taken to simplify and streamline procedures for the administration of existing incentives to export enterprises. Within the general principles stated in the Development Manifesto, Government will offer special encouragement to arrangements through which foreign and international firms are associated with domestic production enterprises, wherever such association is considered beneficial from the point of view of securing access to external markets.

4.29 It is of the utmost importance to put more stress than hitherto on product quality, in all future export promotion work. Some of the measures for improving the quality of Uganda's main exports and other primary exports, through improved production, storage and general handling techniques, are described in Chapter Ten. Quality control measures, throughout the entire marketing chain, will be enforced much more stringently in respect of those products exported by Government agencies. Government will also take steps to institute quality inspection measures to cover an increasing range of privately exported products, particularly manufactured and processed products. The various incentives offered to private exporters will be administered in such a way that they constitute a real inducement for the maintenance of high quality standards. Every effort will be made to propagate the adoption of such elementary sales promoting practices as standardisation, proper labelling and convenient attractive packaging. The possibilities for co-operation with neighbouring countries in the establishment and enforcement of effective quality standards for selected export products will be fully explored.

4.30 The Uganda Export Promotion Council, established in 1969, is the main agency for the co-ordination and implementation of Government's export sales promotion policy, and its specific functions will be considerably extended. In addition to elaborating the various export incentives and participating in their administration, the Council's functions in promoting the sale of Uganda's exports will include: the collection and dissemination of detailed information on the potential, organisation and special requirements of markets in foreign countries; the organisation of effective participation by Uganda in international trade shows and of general publicity campaigns in external markets; the conduct of studies relating to costs, export pricing and other issues affecting the competitiveness of export enterprises; and the extension of technical assistance to exporters on such matters as training, product handling, packaging, advertisement and marketing organisation. It will also be a prime concern of the Council to inculcate more aggressive, adventurous, and imaginative sales attitudes and practices among Uganda's exporters. The work of the Council, so far, has been seriously hampered by shortage of funds and staff, but steps are already being taken to rectify this as a matter of urgency. To complement the work of the Uganda Export Promotion Council, trade missions to strategic external markets will be mounted on a more frequent basis. In addition, as mentioned in Chapter Twenty-one, the work of Uganda's diplomatic missions abroad is to be given greater commercial bias.

V. Import Policy

4.31 Exports generate two main economic benefits. First, their production adds directly to domestic economic activity and incomes. Secondly, and equally important, they provide the principal means by which imports can be acquired. Uganda imports large volumes of a wide range of consumer goods, raw materials, other intermediate goods, and practically all her requirements of capital equipment. Imports are of direct and crucial relevance not only to the welfare of Uganda's population but also to the growth of domestic production. The possibility of importing enables us to concentrate on those productive activities in which our resources can be employed most efficiently, on the assurance that we can obtain from the rest of the world a whole range of goods, essential for consumption or production, which we either simply cannot produce ourselves or whose local production would make them available only at a much higher cost. Imports have also a more subtle, but very beneficial economic impact in exposing the Uganda economy to international competition, thus inducing greater efficiency among local producers.

4.32 The total level of imports into Uganda is naturally determined by the level of our foreign exchange earnings (from exports and other sources), the nature and level of non-import claims on these earnings, and policy relating to the accumulation of foreign exchange reserves. On the basis of all these, an estimate is made, in Chapter Three, of the permissible growth of expenditure on imports over the period up to 1976. Since this expenditure represents the use of a very scarce resource (foreign exchange), Government is greatly concerned with its proper allocation. In this regard, the objective of policy will be to direct, as a priority, expenditure to those imports which profitably add to the productive capacity of the economy, and to imports of mass consumption goods which cannot be economically produced domestically. In Chapter Three, a quantitative indication is given of the anticipated pattern of imports over the course of Plan III.

4.33 As a general principle, Government will allow maximum freedom to import, within the limits indicated in the preceding paragraph. For various economic reasons, however, it will continue to be necessary for Government to impose special restrictions on the import of selected types of goods in order to foster the local production of those goods. As emphasised in several other places in this Plan, import substitution, on a national and regional basis, provides one of the main avenues for initiating industrial development on any scale. Such import substitution, however, often needs deliberate Government support in order to get off the ground successfully; and an important form of support is through protection, for an initial period, against competition from imports. Government will give this type of protection to those domestic undertakings which show definite promise of developing into efficient enterprises over a fairly limited period of time. Extreme care will always be taken to ensure, among other things, that such protection does not impose an undue burden on consumers, nor endanger the competitiveness of other enterprises (especially those with an export potential), nor frustrate the prospects for expanding trade with neighbouring countries. A review is to be carried out early in the Plan period to determine what action, if any, is necessary to ensure that the protection which is at present accorded to various industries conforms with these requirements.

4.34 The need to control the total volume of imports in line with foreign exchange earnings, to allocate import expenditure according to development and welfare criteria, and to afford protection to selected domestic producers, makes it necessary for Government to wield appropriate instruments for the regulation of the flow of imports. In the past, import licensing has been a major Government technique for regulating imports. However, import licensing is notoriously difficult to administer efficiently. Moreover, like other purely administrative controls in this field, its economic effects are hard to assess. In the light of Government's concern to simplify the nature and administration of import restrictions, relatively less use will be made of import licensing in the future, and more reliance will be placed on fiscal and monetary measures to control and direct imports. Further, the responsibility for any necessary import licensing will be vested in the Ministry of Commerce and Co-operatives, and not in any public agency directly engaged in the import trade, as has been the case in the recent past.

4.35 With regard to the sources of the country's imports, Government policy will be guided primarily by the need to ensure that it always buys from the cheapest suppliers, and, subject to this and certain constraints pertaining to the technical characteristics of the imports in question, that there is a degree of diversification of sources. Greater efforts will be made to organise Government's own direct imports to conform increasingly to this objective, and the bilateral and multilateral moves to achieve a significant reduction in the tying of foreign aid are of special significance in this regard. The steps, described in previous sections of this Chapter, to widen the range of our trading partners, are also expected to lead to a diversification of sources of imports.

Chapter Five

POPULATION

5.1 The provisional results of the 1969 population census have provided valuable new data on the population of Uganda. A full report and analysis of the census will be published shortly. Only a brief summary of the major characteristics of the population is presented in this chapter, and the major revelation of the census data—the current rate of natural increase of the population—is analysed as a background to government policies in this field.

I. Present Characteristics of the Population

5.2 On Census Night, August 18th, 1969, Uganda's population was 9,549,000. The population in 1948 was 4,959,000 and in 1959, 6,537,000. These figures give an annual rate of growth of population of 2·5 per cent between 1948 and 1959, and 3·8 per cent between 1959 and 1969. However, the latter rate overstates the present rate of natural increase of population for two reasons. First, there was heavy net immigration during the inter-censal period, and second, it is now apparent that during the 1959 Census there was some under-counting in certain areas of the country. An examination of the available data indicates that the rate of natural increase in 1969 was about 3·2 per cent. The components of this rate of growth were estimated to be, for the country as a whole, a crude birth rate of 50 per thousand, and a crude death rate of 18 per thousand. The rate of natural increase has been accelerating over the immediate past, and is now estimated to be about 3·3 per cent. The population in mid-1971 is therefore estimated at 10,130,000. It is reasonable to anticipate a further fall in the crude death rate, and a further rise in the crude birth rate, so that the rate of natural increase would be about 3·5 per cent in 1976. This would mean an average growth rate over the Third Plan period of around 3·4 per cent, and, on this basis, population in mid-1976 would be just over 12 million.

5.3 The population by district and major urban area is summarised in Table V—1, together with comparable figures from the 1959 census. Population densities vary considerably between districts, from relatively high levels (over 100 persons per sq. kilometre) in Kigezi, West Buganda, and large parts of the Eastern Region, especially Bugisu, to much lower levels (less than 50 persons per sq. kilometre) in areas in Mubende, Sebei, Bunyoro, Karamoja and other areas of the Northern Region. The distribution of population is shown on Map A, which brings out clearly the extent to which population densities vary from area to area.

5.4 The 1969 census yielded important information on the degree of inter-district migration. East and West Buganda, Masaka, Ankole, Busoga and, to a limited extent, Bunyoro have high rates of net immigration. This movement is fed by emigration from a number of districts, notably, Teso, Bukedi, East and West Acholi, and Lango. The largest source, however, for the internal movements of population, is Kigezi, as it is estimated that there are at least 200,000 people born in Kigezi but living in other parts of the country.

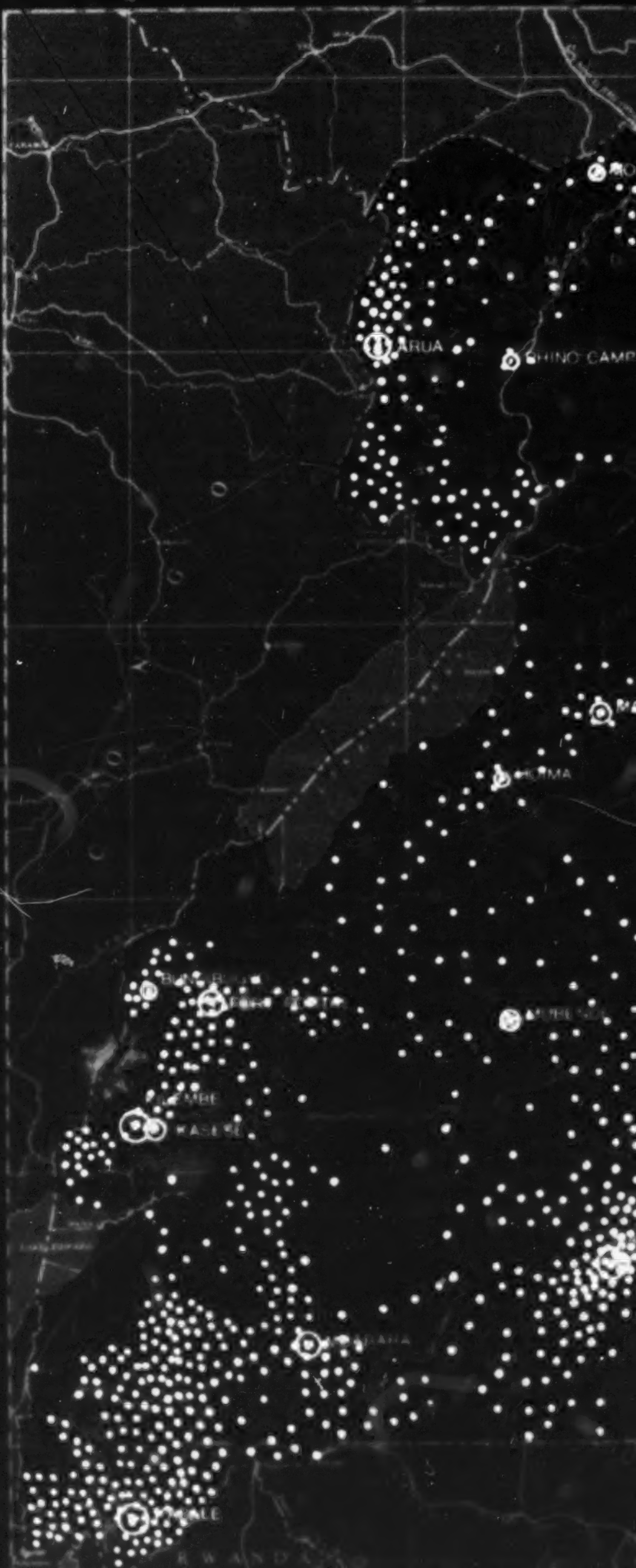
Table V—1. Population by Region, District, and Major Urban Areas, 1969 and 1959

		1969	1959
BUGANDA REGION	..	2,667,332	1,815,957
West Buganda	..	513,498	386,844•
East Buganda	..	851,583	610,652•
Masaka ..	..	640,596	443,877
Mubende ..	..	330,955	216,759•
Kampala ..	..	330,700	157,825•
EASTERN REGION	..	2,817,066	2,077,082
Teso ..	..	570,628	457,875
Bugisu ..	..	397,889	304,075•
Bukedi ..	..	527,090	400,432
Busoga ..	..	896,875	647,664•
Sebei ..	..	64,464	49,336•
Karamoja (N & S)	..	284,067	172,397
Jinja and Njeru	..	52,509	31,734•
Mbale ..	..	23,544	13,569
WESTERN REGION	..	2,432,550	1,566,579
Kigezi ..	..	647,988	494,488
Ankole ..	..	861,145	531,335
Toro ..	..	571,514	349,354
Bunyoro ..	..	351,903	191,402•
NORTHERN REGION	..	1,631,899	1,076,913
West Nile ..	..	573,762	385,019
Madi ..	..	89,978	50,737
Acholi (E & W)	..	463,844	286,846
Lango ..	..	504,315	354,311
TOTAL	..	9,548,847	6,536,531

•Indicates Districts/Urban Areas with major boundary changes between 1959 and 1969, for which the 1959 Population total has been adjusted.

5.5 Table V—2 summarises Uganda's population by nationality and race. In recent years, there has been considerable net immigration to Uganda so that in 1969, over 5 per cent of the total population were not citizens. The greatest part of the non-Ugandan population are refugees from neighbouring countries, and immigrants from our partner states in the East African Community. Government policy towards refugees is set out in Chapter Twenty. The non-African population of Uganda is not significant from a demographic point of view, and in the immediate future, any natural rate of increase in the non-African population is likely to be offset by net emigration.

5.6 The age distribution of population is given in Table V—3. The most noticeable characteristic of Uganda's rapidly growing population is the very high proportion of young children in the total population. The proportion of children aged 14 or less increased over the inter-censal period from 41 per cent in 1959 to 46 per cent in 1969, and only half the population is in the working age group (15–60).


ARUA
RHINO CAMP
HOIMA
FORT PORTAL
MUBENDE
KASESE
MBARARA
KABALE
RWANDA

POPULATION DISTRIBUTION **MAP A**

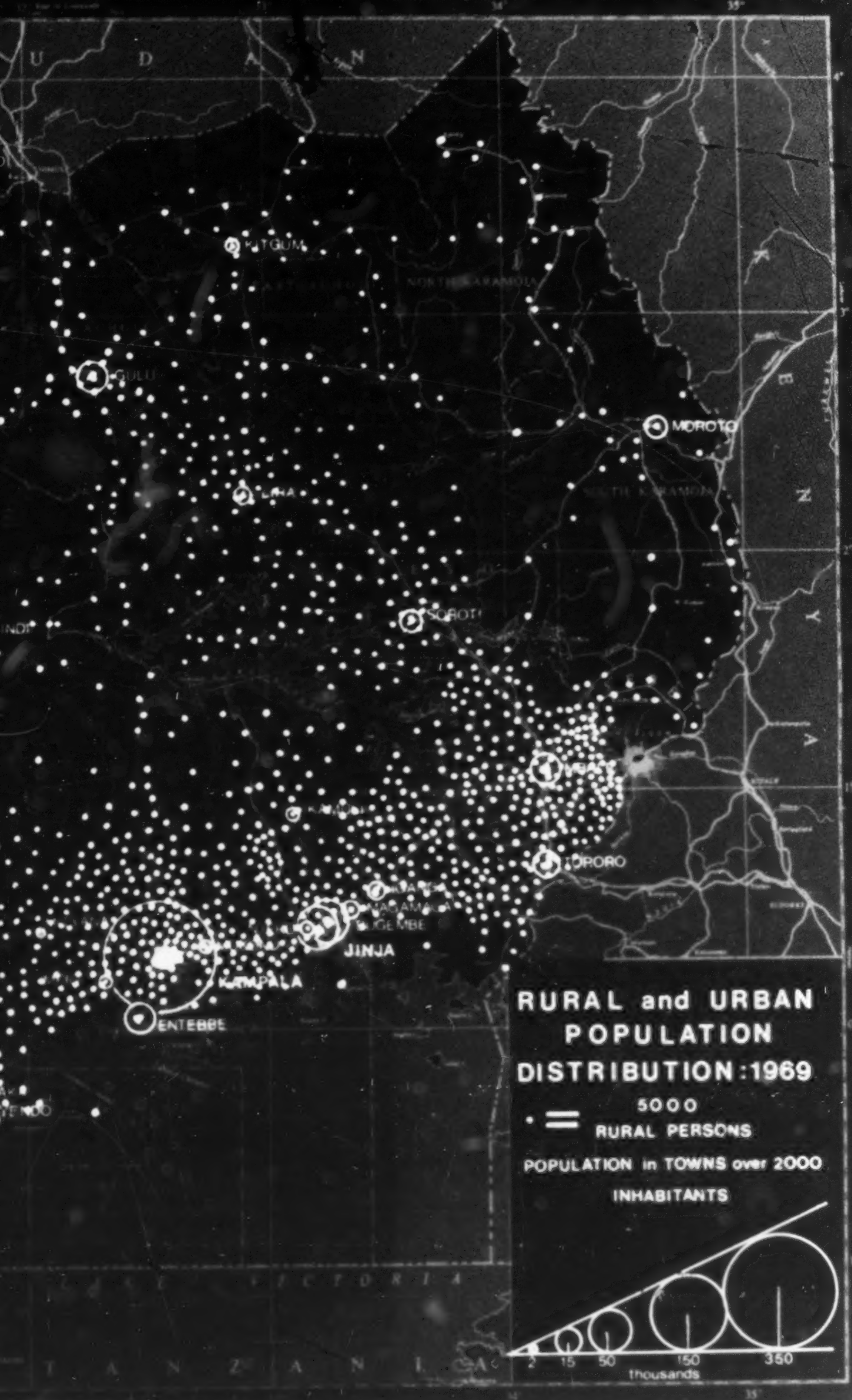

U D A N
KITGUM
NORTH KARAMOJA
GULU
MOROTO
LIRA
SOUTH KARAMOJA
SOROTI
K E N Y A
MBALE
KAMULI
TORORO
IGANGA
NAGALAMA
BUGEMBE
JINJA
KAMPALA
ENTEBBE
L A K E V I C T O R I A
T A N Z A N I A
RURAL and URBAN POPULATION DISTRIBUTION : 1969
• = 5000 RURAL PERSONS
POPULATION in TOWNS over 2000 INHABITANTS
2
15
50
150
350
thousands

Table V—2. Population by Nationality and Race: 1969 Census Returns.

	Ugandan	Non-Ugandans	Total
African ..	8,970,292	486,174	9,456,466
Asian* ..	25,657	48,651	74,308
All others ..	6,502	11,571	18,073
TOTAL ..	9,002,451	546,396	9,548,847

* Indian sub-continent only.

Table V—3. Population by Age-Group: 1969 Census Returns

Age Group	Population	Cumulative percentage
0—4 ..	1,837,269	19·24
5—9 ..	1,470,540	34·64
10—14 ..	1,096,482	46·12
15—19 ..	831,213	54·83
20—34 ..	2,059,998	76·40
35—49 ..	1,210,521	89·08
50—64 ..	664,824	96·04
65+	365,465	99·87
Not stated ..	12,535	100·00
	9,548,847	

II. Implications of the Present Growth in Population

5.7 The population of Uganda, on current trends, is estimated to reach 12 million in 1976. After 1976, the crude death rate is expected to fall, over the course of several decades, to around 12 per thousand, and the crude birth rate may rise to 52 per thousand, giving a natural rate of increase of around 4 per cent per annum by the year 2000. A population growing at that rate doubles in size every 18 years, and would have an age distribution with half of the population under 15 years. All this would have serious implications on the rate of growth of the economy.

5.8 Available historical data suggests that there is no unambiguous relationship between population growth and economic growth, as in various countries periods of fast economic growth have been associated with phases of fast and slow population growth. However, the balance of evidence clearly suggests that the present very high rate of population growth in Uganda will, in the long run, severely reduce the growth of gross domestic product per capita, and consequently adversely affect the welfare of Ugandans.

5.9 Population growth is one of the two elements directly affecting the growth of per capita incomes. The importance of the relationship between the growth of gross domestic product and population growth is discussed in Appendix IV—The 1966–1981 Perspective Plan. Appendix IV examines the feasibility of attaining the basic perspective target of the Second Five-Year Development Plan—that of doubling per capita incomes by 1981—and concludes that the target is unattainable for a number of reasons, one of which is the present high rate of population growth. The long run position is illustrated in Diagram 1, which indicates the effects of differing population growth rates on the growth of per capita gross domestic product. With present rates of population growth (i.e., high birth rates), per capita incomes would double by the year 2000. However, with the same rate of growth of gross domestic product, but a lower rate of population growth (i.e., declining birth rates), per capita incomes in the year 2000 would be nearly three times that of 1970.

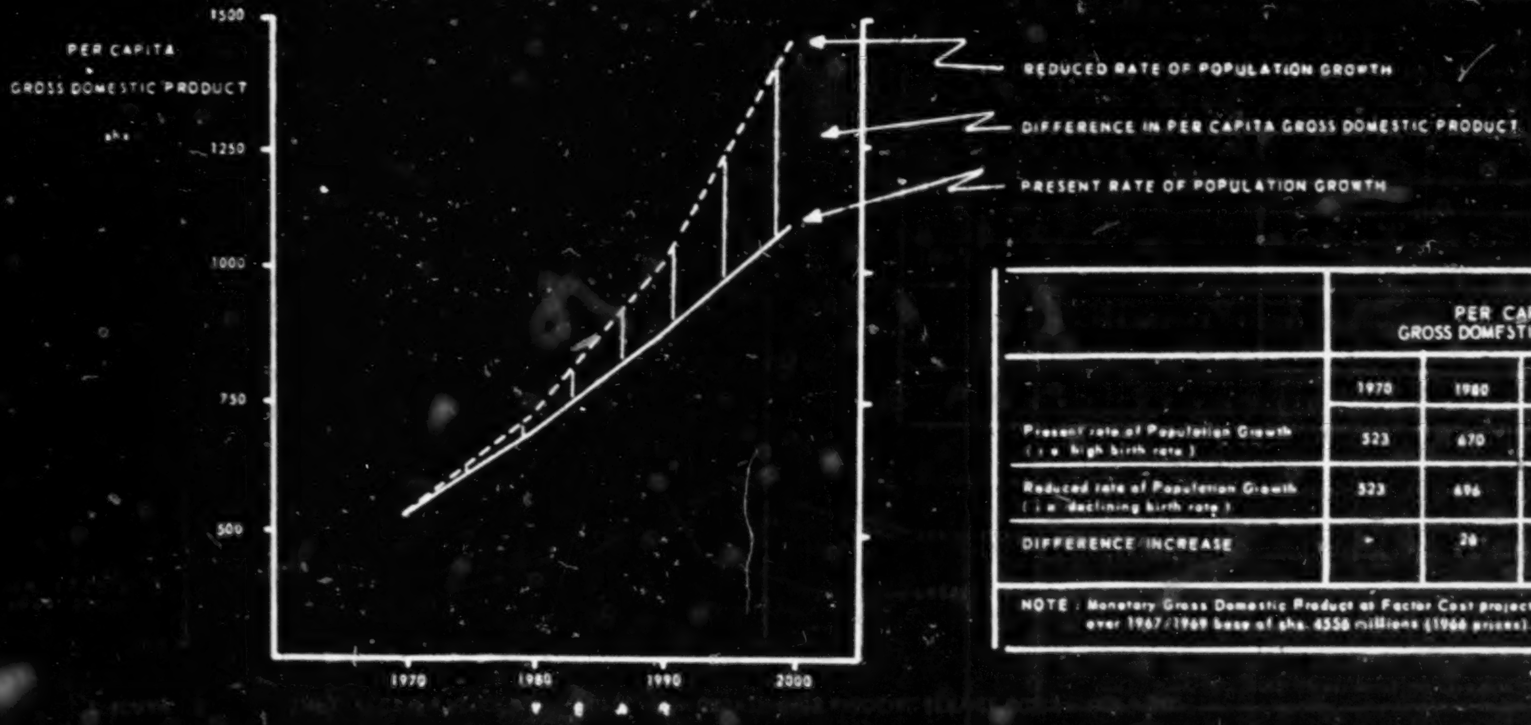
5.10. The age structure of Uganda's population has been summarised in paragraph 5.6 and Table V—3. The faster the growth of population, the greater the proportion of the population in the non-productive age groups. Proportionately more resources must be devoted to maintaining the non-productive age groups, and less resources can be released for investment and for increasing per capita consumption. The present age structure is therefore extremely unfavourable from an economic point of view, since only half the population works to maintain the entire community—the other half being either too young or too old, to contribute positively to the growth of the economy.

5.11 Although a fast rate of growth of population will reduce the proportion of population in the working age group, there will still be very large numbers of people seeking employment. Over time, high rates of population growth will intensify the present acute problems of finding satisfactory paid employment for those in the working age group. In Uganda, the creation of employment opportunities is independent of the growth of population, and consequently the faster the growth of population, the greater the problems of unemployment and social dislocation. Now and in the future, most additions to the working age group will be unlikely to gain employment.

5.12 Although there are areas of Uganda with considerable pressure on the land resulting from high population densities, the general picture is one of unutilised potentially productive land. However, considerable investment in the form of land reclamation and clearance, and in other inputs, is necessary before the land may be worked profitably. With given levels and growth of investment, the higher the rate of growth of population, the less investment there is available per worker for developing hitherto unused land. In addition, the greater the investment required to develop the land, the fewer the resources available for other uses.

5.13 The consequences of a high rate of population growth are particularly acute in their impact on government recurrent expenditure on the social services. Chapter Eight indicates that, for financial reasons, government recurrent expenditure on education and health services will be limited during the Plan III period to annual growth rates not exceeding 8 per cent and 6 per cent respectively. The natural rate of increase of population is currently about 3·3 per cent, and prices and costs are rising annually at similarly high rates. It is clear, therefore, that there will be very little—if any—improvement in the provision of per capita, education and health services over the course of the Plan. The long-run position is shown in Diagram 2, where the effects of alternative population growth rates on government social service costs (education and health services) are

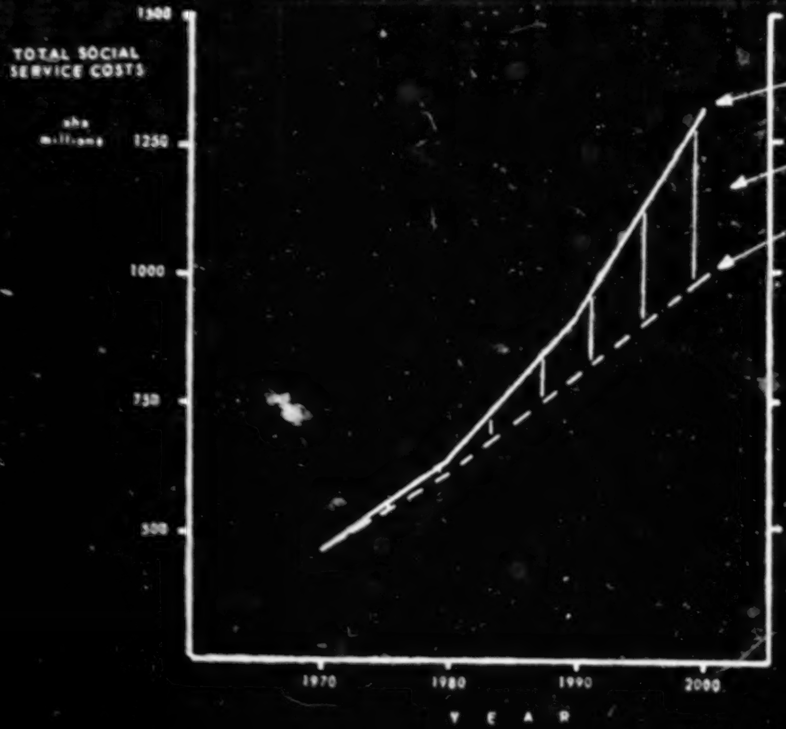
DIAGRAM 1 THE EFFECT of a REDUCTION in POPULATION GROWTH RATE on PER CAPITA GROSS DOMESTIC PRODUCT 1970 – 2000



	PER CAPITA GROSS DOMESTIC PRODUCT shs.			
	1970	1980	1990	2000
Present rate of Population Growth (i.e. high birth rate)	523	670	842	1027
Reduced rate of Population Growth (i.e. declining birth rate)	523	696	954	1367
DIFFERENCE/INCREASE	-	26	112	340

NOTE : Monetary Gross Domestic Product at Factor Cost projected at 6 % per annum over 1967/1969 base of shs. 4556 millions (1966 prices).

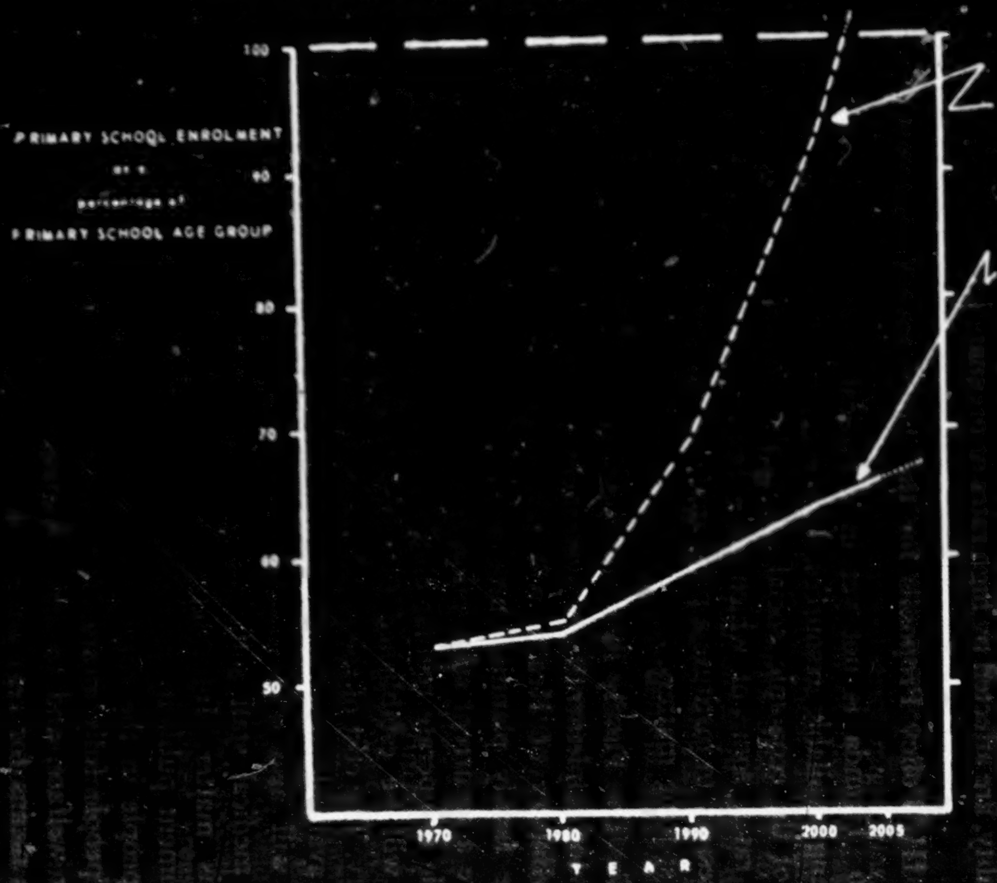
DIAGRAM 2 THE EFFECT of a REDUCTION in POPULATION GROWTH RATE on SOCIAL SERVICE COSTS : 1970 – 2000



SOCIAL SERVICE COSTS [illegible]			shs. millions
	Present Population Growth Rate (i.e. High Birth Rate)	Reduced Population Growth Rate (i.e. Declining Birth Rate)	DIFFERENCE SAVINGS
1970	456	456	–
1980	637	613	24
1990	908	801	107
2000	1332	1000	332

NOTE: SOCIAL SERVICE COSTS in 1970 are based on Total estimated recurrent and development expenditure of the Ministries of Health and Education for 1969/70 and 1970/71. It is assumed that per capita expenditure on these social services remains constant at the 1970 level.

DIAGRAM 3 THE EFFECT of a REDUCTION in POPULATION GROWTH RATE on PRIMARY SCHOOL ENROLMENT: 1970 - 2005



PRIMARY SCHOOL ENROLMENT PERCENTAGE at:		
	Present Population Growth Rate (i.e. High Birth Rate)	Reduced Population Growth Rate (i.e. Declining Birth Rate)
1970	53	53
1980	54	55
1990	59	69
2000	64	92
2005	66	111 (YEAR 2002: 100 %)

NOTE: Primary School Enrolments 1970: 720,000
1976: 920,000 (PLAN III target)
From 1976–2005: 5% per annum increase over 1976 target

summarised. If the current level of per capita expenditure on social services is maintained, then reducing the growth rate of population will enable Government to save considerable expenditure. On the other hand, if the population growth rate is reduced, Government would be able to increase, by about one-third, per capita expenditure on the social services.

5.14 With the present rate of population growth, and the financial constraints inhibiting a dramatic expansion of primary education, it is unlikely that there will be a significant improvement in the proportion of primary school age children attending schools, except over a period of several decades. The position up to the year 2010 is presented in Diagram 3. Universal primary education is attainable soon after the turn of the century with reduced population growth rates. With the present growth of population, only 64 per cent of the school age population would be enrolled in primary schools in the year 2000, and universal primary education would be attained only after 100 years from now.

5.15 Further, there are a number of strictly medical problems induced by a rapidly growing population. The health of the mother and children are adversely affected by continual births in the family, and the absence of any degree of child spacing. Maternal mortality and, to a lesser extent, infant mortality, are affected by high rates of pregnancies and births.

III. Policy Proposals for the Third Five-Year Development Plan

5.16 Uganda is not yet in a critical position of population growth outreaching available resources. However, the Government is convinced that in view of the economic, social and health problems arising from the present high birth rates, some of which have been mentioned in the preceding section, it is necessary to institute a programme of advice to women on family planning and child spacing matters.

5.17 The Family Planning Association of Uganda (F.P.A.) will be the main agent for implementing Government policy in this field. In a gradual fashion, the Ministry of Health will take over the co-ordination and administration of the family planning programme throughout the country. The F.P.A. will receive a recurrent subvention from Government for its programme, and it will be able to operate regular clinics at all government medical institutions. Mobile units will be established to enable the programme to reach all areas of the country. The cost of the mobile units is estimated at Shs. 1·0 million which will be made available as a capital subvention from Government to the F.P.A. Government will also take the necessary steps to equip its health education and other medical staff sufficiently for them to be able to give competent advice in this matter. Information on family planning will be disseminated by government publicity agencies, and through those Ministries in regular contact with people in the rural areas. Government's main interest at this stage is to make people fully aware of the potential benefit of child spacing to their own family welfare, and to make available to those families who actually demand it, the means for regulating their sizes. In all this, every care will be taken to ensure that the programme is not conducted with detriment to the culture and morals of our society.

5.18 Major reductions in the birth rate cannot be expected as a result of the limited programme which the Plan envisages for family planning. However, as a result of the programme, the rate of natural increase of the population should decline to about 3·0 per cent in 1979. This implies a crude birth rate of around 45 per thousand, a reduction of about 10 per cent from the present level, and a crude death rate of about 15 per thousand. These figures have been suggested for 1979, as the Census to be taken then will provide guidance on the effectiveness of the programme. A rate of natural increase of the population of 3·0 per cent in 1979 would represent a growth similar to that of the mid-1960's.

5.19 The demand for the programmes currently offered by the Family Planning Association have growth considerably in recent years, and there has been a concomitant expansion in their staff, clinics and facilities. With a more active involvement by Government in propagating the benefits of family planning, and the evidence that the services currently provided by the F.P.A. are in demand, there is every reason to believe that if the programme as envisaged in the preceding paragraphs is successfully implemented, then the target rate of growth of population of 3·0 per cent in 1979 is attainable. Its realisation will provide significant short term benefits through improved health conditions of mother and family, and considerable long term benefits in releasing resources to increase the economic and social welfare of the country.

5.20 In earlier parts of this chapter, attention was focused on the varying densities of population and the current level of inter-district migrations. The Government is particularly concerned about the problem of those areas with high densities of population. As one way of overcoming these difficulties, the Government will introduce a number of settlement schemes designed to shift, on a voluntary basis, a limited number of people from areas of high density with unfavourable economic prospects to areas where the shortage of labour has impeded development. In the first instance, the settlement schemes will concentrate on the particular problems caused by the high density of population in Kigezi, although these settlement schemes are not expected to be a permanent solution to either the economic development of Kigezi or the high density of population found there.

5.21 The movement of population from rural to urban areas—which is the general feature of inter-district migratory movements—is primarily a move influenced by economic factors. There are, however, attendant economic and social costs, especially in the large cities and towns of Uganda. This general movement can only be stemmed by improving the economic prospects of the districts whence the migrants originate. The emphasis in the Plan on rural development is one way of tackling this problem, and the Government will pay special attention to the allocation of social and economic services to those areas with significant emigration movements.

5.22 Government's knowledge about current demographic trends is limited to the regular Population Census held every ten years. In order to improve the vital statistics, and to afford more information on population movements in the inter-censal period, a fully comprehensive system of compulsory registration of births and deaths will be introduced during the Plan III period.

IV. Summary of Government Expenditure

5.23 The Plan III Government development expenditure on the project described in this Chapter amounts to Shs. 1·0 million.

Table V—4. Population: Government Development Expenditure*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	POPULATION PROGRAMME		1·0	1·0
5–1	Capital Subventions to Family Planning Association	MFP	1·0	1·0

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*The relationship between the 'bank' and 'high priority' allocation to the project is explained in Chapter Eight (paragraphs 8.7–8.10). The system of code numbers associated with the project is explained in Appendix I.

† MFP=Ministry of Finance and Planning.

Chapter Six

MANPOWER AND EMPLOYMENT

6.1 There is a two-way relationship between human resources and economic development. Manpower of all kinds, but particularly skilled manpower, is vital to the achievement of a sustained growth in output. At the same time, economic expansion generates an increase in employment which is one of the fundamental objectives of this Plan. This chapter concerns itself in turn with both aspects. The first section is devoted to an analysis of the supply of skills necessary to achieve economic growth. The remainder of the chapter is concerned with the scope for generating employment opportunities of all kinds, and the proposals for the development of Government's services to the labour force.

I. Manpower

6.2 Manpower is a resource which requires careful planning. In many areas of the economy, the lack of crucial skills is an important factor hindering development. The provision of sufficient numbers of manpower with the appropriate training and skills is essential if development is to proceed at the desired pace.

6.3 In the short run, it may be possible to overcome some crucial skill bottlenecks by the use of expatriates. For a variety of reasons, however, such a solution is unsatisfactory. Over the rather longer run, therefore, it is essential that provision is made to ensure an adequate supply of appropriately trained manpower of Ugandan citizenship. The need for manpower planning arises from the necessity for linking the requirements of skilled Ugandans with training programmes both at home and abroad. The training required is extremely expensive. Careful planning is, therefore, necessary to ensure that expenditure on all forms of training and education is properly directed, to avoid the emergence of surpluses in specific cadres of manpower while ensuring that shortages are met.

6.4 The need for manpower planning has long been recognised. Uganda's first manpower survey was carried out in 1958, and this was followed by another survey in 1962–64. Both these surveys were rather limited in their coverage and applicability but they provided the experience and background for the third manpower survey, carried out in 1967.

6.5 This latest survey provided an inventory of the numbers employed and the number of vacancies in all the various cadres of manpower requiring a certain minimum level of training. Coverage of the survey is estimated to be over 90 per cent of high level manpower in post at the time of the survey. It also provided useful information on the age, experience and qualification structure of the high level labour force. Most important, the survey provided the basic data for projecting high level manpower requirements up to 1981.

6.6 This projection was based on quantitative assumptions about the future growth of the economy, about the relationship between economic growth and the demand for high level manpower, about wastage through death, retirement and Ugandanisation, and about the desired relationship between the various levels of high level manpower. The projections obtained on the basis of these assumptions provided data on the number of Ugandan entrants to each occupation required on manpower grounds over the periods 1967–71, 1972–76 and 1977–81. On the basis of assumptions about drop-out and failure rates, the results of the manpower projections were then used to derive an estimate of the required total outputs of Ugandans at every level of the educational system. This estimate included provision for the requirements of output at each educational level both for direct employment and for further training to a higher educational level. It also included, by a process of iteration, the requirement for teachers implied by the projections.

6.7 The 1967 survey assumed that the economy would grow at the rate necessary to achieve the perspective growth target of doubling per capita incomes in 15 years, as specified in *Work for Progress*. For reasons explained in Appendix IV, this target was over-ambitious. It is clear, therefore, that the manpower requirements specified in the report on the 1967 Manpower Survey are a substantial overestimate. It has thus been necessary to recalculate manpower requirements using more realistic assumptions about the long-term growth prospects of the Uganda economy.

6.8 The results of this revision, together with the original results of the projections, are shown in Table VI—1. In general the revised estimates of requirements at each education level are substantially below the original ones. The single exception to this marked decline arises in the case of education levels one and two, where the revised requirements are only slightly below the original ones. This is due to the fact that the revised projections take account of the emphasis on Grade II teachers (who are in the education 2 category) as far as formal primary teacher training is concerned, while the original projections assumed that there would be a gradual shift to training only Grade III teachers (who are in the education 4 category) by 1981.

6.9. Table VI—1 presents the projections of manpower requirements by educational level so as to provide the link between estimates of total requirements and the need to expand educational institutions in line with manpower needs. The educational levels can themselves be linked, in a general way, with broad occupational categories. Thus, with a number of exceptions, educations "1" and "2" are required for craft and lower technician occupations; educations "3", "4" and "5" for junior clerical and middle technician occupations; educations "6" and "7" for senior clerical, junior management and senior technician occupations; and educations "8" and "9" for senior management and professional occupations.

6.10 Experience in the period since the 1967 survey was conducted indicates that the aggregated estimates of requirements by education level are fairly accurate. At the level of individual occupations, however, the results are clearly much less reliable. In order to make use of improvements in projection

Table VI—1. 1967 Manpower Survey: Original and Revised Projections

	1972–1976				1977–1981			
	Original Results		Revised Results		Original Results		Revised Results	
	To employment	To higher education	To employment	To higher education	To employment	To higher education	To employment	To higher education
EDUCATION 1 AND 2: Primary education plus either at least 4 years' apprenticeship or at least 3 years' formal training excluding E.A.C.E.	20,321	—	19,800	—	31,670	—	30,300	—
EDUCATION 3: E.A.C.E. plus up to six months' further formal training	7,000	36,000	5,400	18,600	10,300	53,000	7,400	24,900
EDUCATION 4: E.A.C.E. plus between 6 months' and 2 years' further formal training; excluding E.A.A.C.E.	9,122	—	4,900	—	16,149	—	7,500	—
EDUCATION 5: E.A.C.E. plus between 2 and 4 years' further formal training; excluding E.A.A.C.E.	4,077	—	2,900	—	6,675	—	4,300	—
EDUCATION 6: E.A.A.C.E. plus up to 6 months further formal training	2,450	8,800	2,100	5,400	4,000	12,500	3,100	6,200
EDUCATION 7: E.A.A.C.E. plus between 6 months' and 3 years' further formal training; excluding university education ..	1,570	—	1,300	—	2,276	—	1,600	—
EDUCATION 8 AND 9: University education	3,825	—	2,900	—	5,860	—	3,200	—

methods, as well as to obtain actual data for certain variables for which assumed values have been used in the past, it is necessary to entrench manpower surveys as a regular feature of planning. Accordingly, a new manpower survey is to be carried out in mid-1972, five years since the last survey. This survey will provide a basis for the revision of the intake and enrolment targets set out in Chapter Eighteen. Improvements will be introduced into the survey method to relate the estimates of manpower needs more closely to the appropriate training courses, and to estimate requirements at the individual occupational category level more accurately. The survey will be directed by the Ministry of Finance and Planning, in co-operation with other Government ministries, departments and agencies.

6.11 The provision of appropriate numbers in the various cadres of skilled manpower is the crucial issue in manpower planning. However, action needs to be taken to ensure that purely institutional obstacles do not frustrate the absorption of available skilled manpower in accordance with the true requirements of the economy. These obstacles relate particularly to the rate at which Ugandanisation of jobs takes place and the means by which it is effected. Government's long-term target is to achieve complete Ugandanisation of jobs—apart from a few extremely specialised posts— by 1981.

6.12 Government's policy for the Ugandanisation of both skilled and unskilled employment is clear. For new vacancies or job opportunities, first priority both in the public and private sectors shall be given to citizens of Uganda; second priority to the citizens of the partner states of the East African Community; and third priority to the nationals of the member states of the O.A.U. In practice, this policy means that all future recruitment for unskilled jobs will be confined to Ugandans.

6.13 The Employment Section of the Ministry of Labour and the Immigration Control Board will be the vehicle for the implementation of this policy. A Ugandanisation Bureau will be established in the Employment Section, and apart from its responsibilities is implementing Government's policy on the Ugandanisation of personnel in the private and public companies, the Bureau will ensure that suitably qualified Ugandans are placed in private employment in positions befitting their educational standards and experience. During the Plan, the Immigration Control Board will strengthen its procedures for granting work permits to ensure that Ugandanisation is accelerated to an extent consistent with the maintenance of efficient operation. All applications for work permits for paid employment will have to be accompanied by specific proposals for on-the-job training of Ugandans, and by a definite time schedule for Ugandanising the post in question. Work permits for non-citizens in self-employment, particularly in trade and commerce, will only be issued when it is clear that there is not sufficient Ugandan enterprise to effectively undertake the activities for which application is being made. The administration of work permits for self-employment will be closely co-ordinated with Government policies for the active promotion of Uganda entrepreneurs, and Government will always ensure that the implementation of this policy does not in any way reduce the volume and quality of economic services available to the public.

6.14 Specific steps to continue the Ugandanisation of the public sector will be taken during Plan III. Chapter Twenty-one indicates that each ministry and department will be required to draw up a phased Ugandanisation programme, which will include specific proposals for formal and in-service training. The use of foreign technical assistance personnel will also be more closely related to progress in Ugandanisation (*see* Chapter Nine for a further discussion of technical assistance).

6.15 The achievement of the manpower and Ugandanisation targets depends substantially upon Ugandans, once trained, taking up the occupations for which they are most suitably qualified. In the past, Ugandanisation in several fields has been retarded because Ugandans trained for specific occupations have taken up posts elsewhere. Towards the end of the Second Five-Year Plan, Government introduced bonding for all students in post-secondary institutions. The purpose was to give Government the first option of employing them once qualified. As a matter of policy, Government intends in future to use financial incentives and disincentives to channel Ugandans to priority occupations, rather than rely upon the element of compulsion inherent in any bonding system. Accordingly, Government is examining the possibility of replacing the present practice of bonding with a system of loans to students in post-secondary institutions, with the extent of repayment of the loans depending upon the length of subsequent service in priority occupations. Further, many key posts in Government are difficult to fill simply because the salaries offered are inadequate. A major purpose of the proposed Government salary review (Chapter Twenty-One) is to iron out the anomalies between salaries and prospects for jobs which require similar qualifications and experience.

II. Employment

6.16 The basic target for employment in the Second Five-Year Development Plan was to provide 85,000 additional jobs in paid employment over the course of the Plan. Table VI—2 compares this target, broken down by broad economic sector, with actual performance over the first four years of the Plan. The table indicates that the growth of paid employment has been close to the Plan target. Over the first four years of the Plan, employment growth amounted to 78 per cent of the target growth for the whole Plan period.

6.17 The annual enumeration of employees is deficient in coverage, and there is no doubt that the official series for paid employment are substantial underestimates. In the past, estimates of the extent of this undercoverage have been made, and in the formulation of the Second Five-Year Development Plan target for employment, an allowance was made for the undercoverage. No estimates of the extent of under-coverage are available for the year 1970, however, and for this reason the data for the actual growth of paid employment between 1966 and 1970 presented in Table VI—2 is derived, without adjustment, from the published employment series. It appears likely that if it were possible to present a series for actual performance adjusted for under-coverage in the same way as the Plan target, such a series would indicate a somewhat higher percentage achievement of the target in the first four years of the Plan than Table VI—2 suggests.

Large Second Plan

Table VI—2. Paid Employment: Plan 2 Targets and Actual Performance.

(thousands of jobs)

	Actual level 1966*	Actual level 1970*	Actual Increase 1966–70*	Second Plan targets for increased employment 1966–71†	Percentage achievement of target in first four years of the Plan
Agriculture, Forestry Fishing and Hunting	52·9	54·9	2·0	23	9
Mining and Quarrying	6·4	7·9	1·5	1	150
Manufacturing‡ ..	42·7	54·0	11·3	19	59
Construction ..	29·2	47·7	18·5	12	154
Commerce	14·2	14·3	0·1	5	2
Transport and Communications ..	9·8	12·6	2·8	3	93
Government Administration§	35·7	45·1	9·4	10	94
Services	55·1	75·9	20·8‖	12¶	173
TOTAL ..	246·0	312·4	66·4	85	78

* Official data.

† Adjusted Second Plan data.

‡ Including Crop Processing.

§ Excludes Government education and health services, which are covered in the "Services" sector.

‖ Coverage excludes domestic servants.

¶ Coverage includes domestic servants.

6.18 Although the growth of total paid employment has been close to the target, performance has varied markedly between sectors. Most notably, the growth of employment in the agriculture, forestry, fishing and hunting sector, and the manufacturing sector has been very substantially below target. In agriculture, the poor performance may be to some extent only apparent because there have been variations in the coverage of the official published data, and because fluctuations in the timing of the harvesting seasons have a major influence on the level of employment which the annual enumerations detect. Nevertheless, it appears that the slow growth of plantation agriculture in recent years has been a major factor contributing to the slow growth of agricultural employment. In manufacturing, the poor performance is clearly related to the slow growth of manufacturing output which has been achieved, well below the Plan target. Moreover, the Plan target for employment in manufacturing included 2,000 jobs in small-scale and craft industry. Government's industrial estates programme has been delayed until Plan III, and there is no evidence to suggest that there has been dramatic development of small-scale activity in the absence of the programme. For commerce, the stagnation in employment appears to have been directly related to two factors— the progress in Ugandanisation of commerce, and the impact on commercial activity of the restraint on consumer imports.

6.19 These three major shortfalls have been substantially offset by performance considerably better than the Plan targets in the construction and services sectors. The performance in construction can be directly related to the very rapid growth of construction product. The rapid growth of employment in services is largely attributable to the increase in the number of employees in the educational and medical services.

6.20 The Second Five-Year Development Plan also envisaged the development of an additional 15,000 jobs in tea and sugar outgrowers schemes. There is unfortunately no reliable information on this category of employment. Overall, however, it appears unlikely that the target has been achieved. There has been substantial growth in the number of outgrowers associated with the development of tea in the Western Region under the auspices of the Uganda Tea Growers' Corporation. The number of sugar outgrowers has, however, probably only grown very slowly, partly because of the sales difficulties experienced by the large manufacturers in the early part of the Plan, and partly because the development of outgrower holdings under the Kinyala Sugar Project has been delayed until Plan III. In total, the increase in the number of tea and sugar outgrowers has almost certainly been below 15,000.

6.21 The need to generate increasing opportunities for employment is one of the most pressing problems facing Uganda. Although there is no accurate quantitative estimate of the size of the problem, it is clear that both unemployment and underemployment are widespread, persistent and probably increasing in magnitude. This Plan represents a concerted effort to expand opportunities for both wage and self-employment.

6.22 The growth of the number of Ugandans in both these kinds of employment will be generated from two fundamental sources. The most important source will be the continued expansion of the economy. The planned growth of output to satisfy expanding domestic demand and the growth of exports will be accompanied by a general expansion of employment opportunities. This effect will be enhanced by the various policies and measures described in subsequent paragraphs of this section. The second important source of growth of employment will be the accelerated rate of Ugandanisation. The measures outlined in paragraphs 6.13 and 6.14 will ensure that Ugandanisation proceeds as rapidly as possible.

6.23 The Plan III target for paid employment is to increase the number of Ugandan wage-earners to 380,000 in 1976, an increase of about 170,000 above the average level in 1967/69. This target represents an annual growth of the number of Ugandans in paid employment of 7·7 per cent per annum. Since the labour force will be growing by about 3·2 per cent per annum, the proportion of the Ugandan labour force engaged in paid employment will increase substantially during the Plan. About 40,000 of the additional jobs created for Ugandans during the Plan will be for skilled manpower, the demand for which will grow rapidly as the economy becomes increasingly sophisticated.

6.24 The Plan III target for employment is expressed in terms of paid employment as detected by the enumerations of employees on the basis of their present coverage. Early in the Plan, steps will be taken to improve the coverage and reliability of the enumerations. Particular attention will be paid to the possibility of linking the data obtained from the enumerations with data available from the Social Security Fund. When the improvement in the paid employment data has been effected, any necessary restatement of the Plan target will be presented in the appropriate Annual Plan.

6.25 The behaviour of wages has a significant influence on the growth of paid employment. Overall, average wages will be permitted to grow by 3 per cent per annum during Plan III. The growth of earnings of any single individual should be somewhat higher than this, as the result of progression through wage and salary scales, arising from promotion and the award of annual increments. Government is aware of the need for the planned increase in average wages to come about within the context of overall incomes policy. The Development Manifesto contains a statement of the broad principles governing incomes policy, whose two main objectives are: first to improve real income distribution, and secondly, to promote the growth of total incomes and employment.

6.26 The income distribution objective of the Plan requires that the real incomes of those in the low income groups be permitted to grow more rapidly than the real incomes of those in the high income groups. Two main weapons will be employed in the achievement of this objective. Government's fiscal policy will be designed to ensure that the incidence of any increase in the cost of living arising from taxation falls less on the poor than on the rich, while ironing out the extremes of the distribution of disposable incomes. At the same time social welfare policy will emphasise services to the low income groups of the community.

6.27 Wages policy as such will only play a minor role in the improvement of income distribution. The operations of the Industrial Court, collective bargaining practices, and changes in the wage and salary structure within the public sector will ensure that some improvement in the distribution of income among wage-earners takes place all the time. In addition, Government's minimum wages policy (*see* paragraph 6.30) will make certain that the distribution of income between wage-earners as a group and those in agricultural self-employment is improved. Nevertheless, the fundamental rationale of Government's wages policy during Plan III is in terms of its impact upon the growth of employment efficiency and total output. Although it is not possible to adduce conclusive evidence, it seems likely that in an economy like Uganda's, a growth in the level of average wages (particularly for unskilled labour) which is too rapid reduces the scope for increasing paid employment. If labour becomes too expensive, employers may choose to economise on labour, for example, through the use of more mechanised techniques of production. In the face of a general surplus of unskilled labour, any steps which reduce the opportunities for employment must as far as possible be avoided. For this reason, it is necessary to restrain the growth of money earnings at all wage levels.

6.28 This observation has special implications for minimum wages policy. In future, any increase in minimum wages is to be used more to prevent the emergence of real hardship among those in paid employment than to promote a general increase in wage rates at the lowest levels. Apart from the relevance of such an approach to the generation of employment, it is also dictated by considerations of equity. One unfortunate characteristic of the tradition of legislating and enforcing minimum wages which have had a major impact on the operation of the labour market has been that it has tended to create a wide gap between those lucky enough to secure paid employment at or near the minimum wage, and the large number of job-seekers who have failed to find employment at all.

6.29 A variety of considerations are important in reaching a decision upon the need to change the level of minimum wages. Since minimum wages are designed to protect employees against undue hardship, account must clearly be taken of changes in the cost of living of those who receive the minimum wage. This cannot, however, be the sole consideration. It is also necessary to take account of movements in the standard of living of those who are in agricultural self-employment, and who are at the lowest end of the income scale. The incomes of these workers, after all, are not protected by Government, and are fully subject to the vagaries of the weather and of the markets for their produce. Indeed, it appears likely that, during the course of the Second Five-Year Plan, real incomes of those in agricultural self-employment declined, both as a result of the increases in prices of manufactured consumer goods, and as a result of the net reduction of the growers' prices for cotton and coffee.

6.30 In summary, therefore, future Government policy on minimum wages will be to use minimum wages to prevent the emergence of extreme hardship among those in paid employment, relating the need for a change in the level of minimum wages to:—

(i) changes in the cost of living in the area in which the work is done; and

(ii) changes in the standard of living of low income groups in agricultural self-employment.

These guidelines will be followed within the context of the objectives of overall incomes policy, which are, as stated previously, to improve real income distribution and to promote the growth of total incomes and employment.

6.31 During the Plan period, it will be Government's policy to deliberately encourage the establishment of labour intensive techniques. As a part of this policy, engineering design work carried out by Government will pay more explicit attention to the generation of paid employment in construction. Two additional measures are now under careful consideration. The first of these relates to Uganda's external tariff policy. There are indications that the existing external tariff structure militates against the use of labour in productior techniques. East Africa's tariff is characterised by high rates of duty on fina consumer goods and zero or modest duties upon capital and intermediate goods The effective protection given, therefore, is higher, the higher the imported inpu content of any particular manufacturing process. Processes which use importe inputs (and thus tend to be capital intensive) are favoured. The possibilit of facilitating the generation of additional paid employment by graduall restricting the external tariff is therefore being carefully examined. Th implementation of any changes which this examination demonstrates as advantageous will be carried out in consultation with Kenya and Tanzania within the framework of the Treaty for East African Co-operation.

6.32 Secondly, Government will endeavour to identify specific Government projects which can be executed using labour intensive methods. One possibility which will be pursued is that of radically changing road construction and maintenance methods to generate more employment. The greatest possibility in this field appears to be with the construction of minor feeder roads. These roads are generally short, so that individual projects are fairly small and manageable. They also usually involve little technical sophistication, which suits them particularly for the use of manual methods. Indeed, the small scale of these projects and their comparative technical simplicity frequently makes it very expensive to construct them by the conventional capital intensive methods. A more intensive use of labour in the construction of feeder roads will bring additional paid employment to the development of the rural economy.

6.33 Over the course of Plan III, the number of men alone in the labour force (defined as those between the ages of 15 and 64) will be expanding on average by about 90,000 each year. This annual growth amounts to close to one-third of the present total level of paid employment. Clearly, therefore, even if the rapid growth in paid employment referred to above is achieved, it will only have a rather marginal impact on the overall employment problem. A rapid expansion of the opportunities for self-employment is thus essential if any progress towards eliminating the unemployment problem is to be made.

6.34 The proposals for the development of urban and rural economic activities contained in the rest of this Plan have been formulated specifically with the need to generate more opportunities for self-employment. In the industrial sector, the main measure in this regard will be the establishment of estates for small-scale industries and the associated supporting programme, the most important of which are described in Chapter Eleven. In commercial and trading activity, continued Ugandanisation will create increased scope for the self-employment of Ugandans. Within agriculture, the crop programmes for cotton, tea, sugar, tobacco and groundnuts, citrus and other crops are all geared to the expansion of self-employment. The expansion of the rural extension effort is specifically designed to assist rural dwellers to make their own living on the land, by providing them with advice on new crops and cultivation methods. The input subsidy schemes and the various proposals for the improvement of marketing channels, including the development of co-operatives, are also geared to this end. The improvement and extension of feeder roads, the provision of rural borehole and piped water supplies, and the extension of the electricity network to some rural areas will all exert a possible influence on rural productivity, and hence upon the opportunities for rural self-employment.

6.35 The solution of the employment problem is a long-term task, and will take many years to achieve. The proposals set out in this section, if vigorously implemented, will contribute substantially towards a solution. Even the most determined effort, however, will be defeated if the present rapid growth of the labour force continues. The proposals designed to reduce the rate of population growth, set out in Chapter Five, have largely been framed with the employment problem in view. If the population programme over the next five years is successfully implemented, it will have made a substantial contribution to the solution of the employment problem in the years after 1976.

III. Labour Services

6.36 Government takes very seriously its responsibilities in creating a stable, disciplined and progressive work force. The improvement of the quality of the labour force is just as essential a requirement for economic development as is the rapid expansion of the active labour force a fundamental objective. Broadly, Government's responsibilities are in five main areas: the development of sound industrial relations; the regulation of training and re-training of employees; the maintenance of appropriate working conditions; the provision of a labour exchange service; and the provision of social security for employees.

6.37 Government will continue to play an effective role in promoting sound economic industrial relations so as to enable both employees and employers to benefit fully from their joint economic activity. The Industrial Court, which operates under the Trades Disputes (Arbitration and Settlement) Act, is the main vehicle for this role. The Court settles disputes of all kinds between employees and employers, relating to pay and conditions of work. The wage rate awards made by the Industrial Court during Plan III will be within the context of the average wage guidelines set out in paragraph 6.27. Until such time as a full-time economic service is developed specifically for the Industrial Court, the Price Advisory Committee (*see* Chapter One) will provide the economic advice required by the Court in its work.

6.38 In the past, wages councils have been established by Government to provide consultative and advisory machinery for negotiation between employers and employees on wage rates and conditions of service. The role of these councils has been thoroughly examined by Government and steps will be taken to re-constitute them where necessary so that they become a more effective element in the employer/employee negotiating machinery.

6.39 The organisation of an efficient and effective trade union movement is vital to the development of healthy industrial relations and to labour welfare generally. In 1970, a new Trade Unions Act was passed, providing, among other things, for the abolition of all the former trade unions which were set up under the 1965 Act, and for their replacement with a single trade union to be known as the Uganda Labour Congress. The Act provides for the new union to operate through branches at the trade level. Government is now carefully reviewing certain of the principles and institutional provisions embodied in the Act with a view to ensuring that the tenets of free democratic trade unionism are observed, that the trade union movement in Uganda is ridden of external ideological influence, and that the movement is truely representative of the interests of the workers as distinct from just their leaders.

6.40 Government's responsibility for the regulation of training of the labour force has already been referred to in the context of Ugandanisation. Government will exercise broad control over training of all skill levels. Government has, however, a particular interest in the training of artisans and skilled craftsmen whose skills can only be perfected after long work experience and on-the-job training. Early in the Plan, the National Apprenticeship Scheme will come into effect. This Plan is designed to standardise training procedures and content for all apprenticeship programmes, and to ensure that the number of apprentices trained is substantially increased. Apprenticeship will combine work experience with vocational training, either on the employers' premises (where an employer operates his own training school), at the technical schools (*see* Chapter Eighteen) and vocational training centres (*see* Chapter Eighteen) or at more than one of those institutions. Those who have been to technical schools are at present required to undergo at least three years' further training, mainly on-the-job, before they become full-fledged craftsmen. Apprentices with no previous vocational training will normally be required to complete an introductory year at a vocational training centre or employers' training school and then to serve for four years with their employers, during which time further formal training in short courses will be given. As part of the new Apprenticeship Scheme, the standards of the trade tests are to be raised. Work on the construction of a new trade testing centre commenced during the Second Five-Year Development Plan. Expenditure on the completion of this project during Plan III will amount to about Shs. 1·0 million.

6.41 Legislation providing for the establishment of the Scheme is to be introduced early in the Plan. It will provide for the establishment of an Industrial Training Council which will advise the Ministry of Labour on the administration and implementation of all forms of craft training in the country including the Apprenticeship Scheme. The Council, which will include representatives of employers, the trade union and Government, will concern itself mainly with the establishment of appropriate training courses, course content, and the standards to be achieved. Consideration is being given to involving employers in financing expenditure under the Scheme, including the operating cost of the vocational training centres by means of an Industrial Training Levy. If this course is adopted, those employers who provide approved training facilities for the formal instruction of apprentices will be exempt from the Levy. Government will also include craftsmen and skilled operative training requirements in major Government construction projects where this is appropriate.

6.42 The regulation and inspection of conditions of work is carried out by the Factories Inspectorate, which works very closely with the Occupational Health and Hygiene Section in the Ministry of Labour, and by the Mines Inspectorate in the Department of Geological Survey. Early in the Plan, the Factories Act, under which the Factories Inspectorate operates, will be amended to revise the present building rules under the Act, and to make more specific provision for welfare services to be provided by employers. At present, the Act covers only factories engaged in manufacturing, and towards the end of the Plan, consideration will be given to extending the coverage of the Act to include activities in agriculture, forestry and transport. During Plan III, however, the emphasis will be upon improving the quality of the present inspection service. To this end, an office is to be established in Jinja, and an intensive effort will be made to recruit and train more staff. By the end of the Plan, it is hoped that it will be possible to dispense with the consultants who have assisted in factories inspection in the past.

6.43 In Chapter Seventeen, reference is made to the Occupational Health and Hygiene Section of the Ministry of Labour which was established in 1965 at the time of Uganda's accession to the ILO. The specific functions of the Section are: to investigate the various occupational health dangers relevant to Uganda's conditions; to advise Government, employers and employees on the amelioration and prevention of actual and potential occupational health hazards; and to carry out field examinations of workers and their work places. The Section works intimately with the Factories Inspectorate, the General Labour Inspectorate and the Supervisory Training Inspectorate sections in the Ministry of Labour and maintains working relations with a number of other organisations in and outside Government.

6.44 Ever since its inception, the Occupational Health and Hygiene Section has experienced immense problems in recruiting suitable staff. During the Plan period the activities of the Section will be expanded considerably, not only to remedy present shortfalls in its coverage but also to keep abreast of the needs of economic growth and the consequent expansion and diversification of jobs. New efforts are to be exerted to recruit and train personnel for the Section. Eventually, it is planned to set up regional out-stations for the Section, in order to expand the coverage of its activities and to facilitate more efficient field services.

6.45 At present, the Occupational Health and Hygiene Section and the Factories Inspectorate are located together in grossly inadequate accommodation. Since these two sections work closely together, their continued physical proximity is desirable. During the Plan, new offices and laboratory accommodation for both sections will be provided at a cost of Shs. 1·5 million. Additional expenditure within the Ministry of Labour for miscellaneous items will amount to Shs. 2·0 million.

6.46 For many years, Government has provided labour exchange services. There are at present four regional labour exchanges: in Kampala, Jinja, Gulu and Fort Portal. Additional labour exchanges are to be established in a number of other urban centres during the Plan. To aid Government in the implementation of its Ugandanisation policy, and to improve the effectiveness of the labour exchange service now offered, the Uganda Employment Act is to be amended to make compulsory the registration at employment exchange offices of all job opportunities offered by employers. Subject to this, private labour exchanges will be free to operate under appropriate Government supervision, and in those towns where there is no Government Labour Exchange, they will be positively encouraged.

6.47 Uganda has a long tradition of social security. In the past, those who were old or sick were always sure of support from their extended family. The social stresses generated by economic development and the changing structure of the economy have, however, brought about a change. In future years, the wider family ties are likely to weaken. For this reason, it is necessary to institute a new and more formal system of social security to cater for old age and disability, particularly with respect to those in wage employment.

6.48 In recognition of this need, the Social Security Fund was created in January, 1968. The fund is designed to provide old age, and, in certain cases, invalidity and surviving dependant benefits to those who contribute to it during their working lifetime. Half the contributions are borne by the employee, and the other half by the employer, the total contribution amounting to about 10 per cent of wages up to a maximum amount of Shs. 80 per month.

6.49 The Social Security Fund started collecting contributions in May, 1968. The various classes of employees for whom contribution is compulsory have been brought into the scheme in stages. By June, 1970, all employees in establishments with 10 or more employees (excluding permanent and pensionable members of the public service, and those working in schools and colleges) had been brought into the scheme. At the end of June, 1971, the Fund had 430,000 members' accounts and 3,700 registered contributing employers. By that date, contributions to the Fund had reached Shs. 160 million.

6.50 Government is carefully reviewing the operation of the Social Security Fund and the scope for its extension. Any development of the Fund during the Plan will be based upon the conclusions of the review and will be carried out in phases. The review will pay particular attention to the need to widen the opportunities for the investment of surplus resources of the Fund. Since funds invested are to provide for the future claims of those who are now contributing to the Fund, it is important that these investments should be placed as favourably as possible. Assuming some extension of the coverage of its activities, the Fund should generate about Shs. 500 million for investment during the Plan period.

IV. Summary of Government Expenditure

6.51 The Plan III Government development expenditure on the projects described in this Chapter amounts to Shs. 4·5 million, and is summarised below.

Table VI—3. Manpower and Employment—Government Development Expenditure*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	LABOUR SERVICES PROGRAMME		4·5	3·5
6–1	Trade Testing Centre	ML	1·0	1·0
6–2	Occupational Health and Hygiene Section, and Factories Inspectorate—New Premises	ML	1·5	1·5
6–3	Miscellaneous Equipment and Vehicles for Labour Services	ML	2·0	1·0

NOTES:—

*The relationship between the 'bank' and 'high priority' allocation to each project is explained in Chapter Eight (paragraphs 8.7–8.10). The system of code numbers associated with each project is explained in Appendix I.

† ML = Ministry of Labour.

Chapter Seven

REGIONAL DEVELOPMENT

7.1 A specific objective of the Plan is to foster a more even distribution of development among the different geographical areas of the country, this being an important dimension of economic and social justice. The Development Manifesto contains some elaboration of this objective and also of the proposed strategy for its pursuit. The present Chapter discusses certain features of the pattern of regional development in Uganda, and gives a synthesis of the regional aspects of the more important development proposals described in other chapters of the Plan.

I. The Regional Pattern of Development in Uganda

7.2 The two issues pertaining to the pattern of regional development in Uganda which are of most immediate relevance to development policy are: first, the disparity in general standards of living between rural and urban areas, and, secondly, the variation in the level of development from district to district. To some extent the two are inter-related and mutually reinforcing, as where inter-district variations reflect differing levels of urbanisation. Nevertheless, in many respects, the two phenomena are distinct from each other and have different implications for policy.

7.3 A difficulty which arises in any attempt to assess regional variations in development in Uganda is the fact that the country's official national accounts are not broken down on any sub-national basis. Moreover, the inadequate coverage and estimation of official data on non-monetary income renders it unsatisfactory for use in inter-regional comparisons of welfare, as the defects in the data are likely to have a different impact on different regions. On the basis of Graduated Tax assessment returns, an attempt has been made, in Table VII—1, to make a quantitative illustration of the degree of regional variation in incomes. Due to the manner in which Graduated Tax is levied, the data in the Table (also transcribed into graphic form in Diagram 4) indicate, in an approximate fashion, the variation in both cash and subsistence incomes. Although the figures give the correct order of comparison, they need to be used with caution, considering that they do not take account of such factors as differences in the efficiency of tax administration, the relative size of tax-exempt groups, the relative age and sex structure of the regional populations, and some variations in tax assessment methods.

7.4 One fact which is vividly brought out by the data in the Table is the considerable gap between rural and urban incomes. The rural income distribution curve is significantly biased towards the lower income groups. Close to 90 per cent of all Graduated Taxpayers in rural areas earn an

Table VII—1. Cumulative Percentage of Graduated Taxpayers in Different Income Groups: 1969

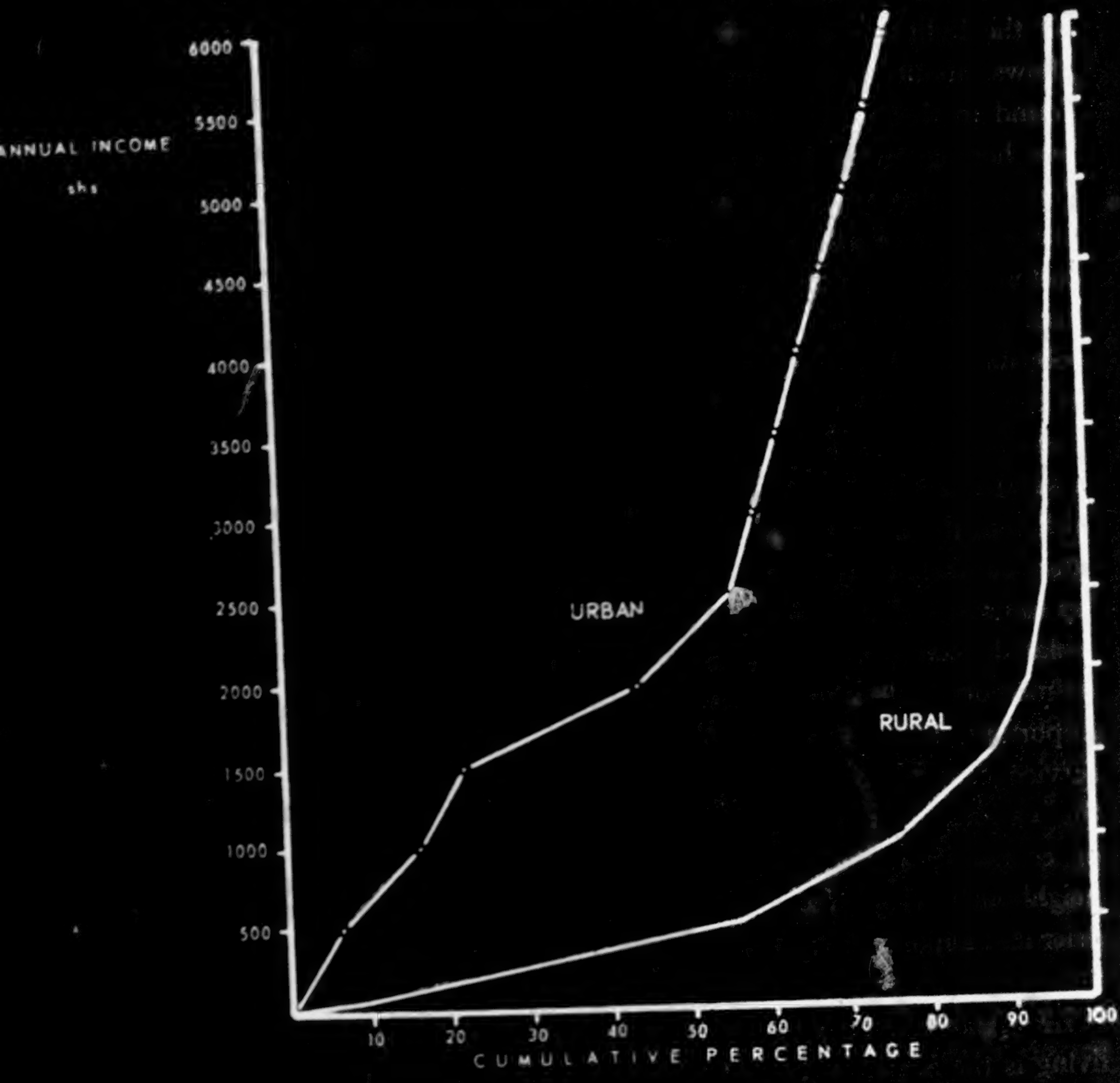
Region	INCOME PER ANNUM LESS THAN OR EQUAL TO					
	Shs. 500	Shs. 1,000	Shs. 1,500	Shs. 2,000	Shs. 2,500	Shs. 6,000
RURAL—						
West Buganda ..	26·4	33·9	76·7	82·3	87·8	96·7
East Buganda ..	32·3	49·1	77·1	87·6	92·5	98·7
Mubende	46·3	67·2	84·5	93·7	95·5	99·0
Masaka	No information					
Busoga	31·6	85·3	93·4	96·1	97·1	99·2
Bukedi	89·8	91·4	93·1	94·9	96·0	99·0
Bugisu	33·9	78·9	90·4	94·8	95·9	99·1
Sebei	58·9	79·9	87·6	92·0	94·3	98·9
Teso	72·4	89·5	96·2	98·1	98·6	99·7
Karamoja (N and S)	66·3	84·4	89·4	94·5	95·6	99·4
Lango	82·0	88·7	91·1	95·0	96·0	99·2
Acholi (E and W) ..	No information					
West Nile	78·8	92·1	97·5	98·5	99·1	99·8
Madi	88·3	91·7	92·7	95·0	95·8	99·0
Bunyoro	46·3	78·7	86·1	92·6	94·5	98·0
Ankole	45·8	75·1	87·8	94·4	97·3	99·6
Kigezi	86·0	92·1	94·1	96·0	96·5	99·3
Toro	62·8	74·4	79·9	88·7	90·4	98·2
TOTAL—RURAL ..	55·7	76·0	88·0	93·2	95·2	99·0
MAJOR TOWNS*	6·0	16·3	21·8	44·3	56·1	78·3

* Kampala, Entebbe, Njeru, Masaka, Jinja, Tororo, Mbale, Soroti, Moroto, Lira, Gulu, Kitgum, Arua, Moyo, Hoima, Masindi, Mbarara, Kabale and Fort Portal.

annual income of less than Shs. 1,500 per annum, compared to just about 20 per cent of the taxpayers in urban areas. While only one per cent of all taxpayers in rural areas earn above Shs. 6,000 per annum, the comparable proportion in urban areas is over 20 per cent. These latter percentages correspond to about 1·6 and 47 taxpayers per 1,000 population, respectively. Table VII—1 also throws light on inter-district variations in rural incomes, as measured by the percentage of taxpayers in comparable income groups. The proportion of rural taxpayers with incomes equal to or less than Shs. 500 per annum in 1969 varied between 26 per cent and 88 per cent from district to district. Similarly, while in some districts about one-quarter of all Graduated Taxpayers earned above Shs. 1,500 per annum, in others the proportion is only one in 25 or less.

7.5 The indicated variations in the levels of rural incomes among districts truly reflects the varying opportunities for productive agricultural production on a self-employed basis, even if due allowance is made for the shortcomings of the data on which the comparisons in the preceding paragraph are based. Part of the variation, however, is due to differing opportunities for wage employment in rural areas—especially on estates and in trading centres. Given the necessarily inadequate assessment of subsistence income, the revealed gap in earned incomes between urban and rural areas must, in large measure, reflect the relative extent of wage employment in urban and rural areas. According the 1969 Enumeration of Employees, over 50 per cent of all recorded nployment was in towns with populations of 2,000 and over. Although e enumeration does not cover employees of small-scale farmers, it similarly xcludes domestic servants who are almost wholly an urban occurrence; so that e figures adequately illustrate the concentration of wage employment in urban reas.

DIAGRAM 4 RURAL AND URBAN INCOME DISTRIBUTION: 1969



7.6 A prominent feature of the economic geography of Uganda is the concentration of income and employment generating activities in a fairly distinct belt stretching from Masaka, bordering the western shores of Lake Victoria, through West Buganda, East Buganda, Busoga, Bukedi to Bugisu. The boundaries of this axis of development correspond closely with the coffee/banana growing "fertile crescent" which is associated with more favourable climatic and soil conditions than generally prevail in other areas of the country. Robusta coffee and bananas are the economic mainstay of this region, although cotton, sugar, tea and vegetables are also of considerable importance. On the slopes of Mount Elgon, in the eastern extremity of the "crescent", arabica coffee replaces robusta as the basic cash crop. In some areas of the region, mixed farming has shown a dramatic expansion in recent years, in response to the growing markets in the urban centres in the region. This combination of agricultural activities successfully supports a relatively dense rural population with a fairly reliable source of cash income. This has, in turn, led to the concentration of urban development within this same region. Kampala, Jinja, Tororo and Mbale are all located here, and they do, together, harbour virtually all the light and heavy industry that there is in the country. As Table VII—5 shows, about 80 per cent of the total urban population of the country is to be found in this region. Outside this "fertile crescent" climate and soils are much less homogeneous. However, conditions in these outer areas are less favourable for agricultural development than they are within the "fertile crescent", although there are some notable exceptions to this generalisation. In general, cotton, tobacco, millet, maize, sorghum and cassava are the typical food and cash crops in these outer areas. Tea, vegetables and coffee (both arabica and robusta), do, however, play a key role in the economies of some of the districts in the region. This region is also the home of practically the whole of Uganda's basic herd of cattle and goats, but livestock farming in the region is still largely a subsistence activity and is of more social than economic significance. Similarly, although the country's main tourist attractions are located here, the impact of the tourist industry on the economy of the region may not have been very significant up to now. Urbanisation in the region is only in its very infant stages. Apart from isolated establishments in Soroti, Lira, Kilembe and Hima, there is no large or medium-scale industry to speak of. Although agricultural processing is fairly important, most of the towns in the region are basically administrative and service centres for the surrounding rural areas. The level of development in the various districts in large part reflects this broad pattern of distribution of economic activities between the fertile relatively urbanised region in the neighbourhood of Lake Victoria, on one hand, and the rest of the country, drier and almost wholly rural, on the other.

7.7 Another useful dimension of regional differences in the standard of living is the availability of basic social services which constitute a very important form of real income. The present pattern of distribution of three of the more important social services—water supply, health and primary education—is briefly illustrated in the following paragraphs.

7.8 Table VII—2 gives the distribution of power boreholes by district.

Table VII—2. **Distribution of Boreholes*: 1969.**

District	No. of Boreholes	Rural Population 1969†	Persons per Borehole
West Buganda ..	248	480,528	5,307
East Buganda ..		835,561	
Mubende ..	93	327,746	3,524
Masaka	83	625,985	7,542
Busoga	416	835,851	2,009
Bukedi	388	504,786	1,301
Bugisu	101	398,121	3,942
Sebei	16	64,290	4,018
Teso	606	555,997	917
Karamoja (N and S)	367	275,092	750
Lango	456	497,880	1,092
Acholi (E and W) ..	352	442,649	1,258
West Nile ..	272	564,169	2,074
Madi	125	87,335	699
Bunyoro ..	293	340,606	1,162
Ankole	213	844,882	3,967
Kigezi	116	631,061	5,440
Toro	103	538,985	5,2[illegible]3
TOTAL ..	4,248	8,851,524	2,084

* Excludes power-pumped and privately owned boreholes.

† Population outside urban centres with more than 2,000 inhabitants.

7.9 The figures in the Table of course give only a partial indication of the relative availability of water in the various districts. Although, overall, boreholes are the most important source of water in the rural areas of Uganda, other sources—natural springs, lakes, rivers, other surface water, and, in some places, even piped supplies—also play an important role, and these latter vary considerably from district to district. The present distribution of boreholes partly reflects the varying availability of alternative sources of water, and this, to some extent, explains the relatively high figures of persons per borehole in some districts (especially districts in Buganda). The provision of boreholes is also dependent on technical geomorphological characteristics of the areas in question. This factor, for instance, hampers the provision of boreholes in the mountainous areas in the extreme east and west of the country. Nevertheless, even taking into account all these considerations, the wide inter-district variation in the number of persons per borehole (ranging from about 700 to about 7,500 with the national average at 2,070) represents a degree of imbalance in the provision of a very important social service.

7.10 Inter-district imbalances are equally evident with regard to health services. A district by district breakdown of hospital beds is given in Table VII—3. The Table excludes beds in prison, military, industrial and all non-mission private medical units. It emerges from the Table that, with a national average of 1·59 hospital beds per 1,000 persons, the figures for individual districts range from 0·91 to 2·50 beds per 1,000 persons. A major factor in this variation is the relative bed strength in medical units run by the church missions.

Table VII—3. Distribution of Beds in Hospitals and other Health Units by District: 1971

District	Beds in Government Hospitals*	Beds in other Health Units	Beds in Mission Hospitals and other Health Units	BEDS PER 1,000 POPULATION†	
				All Hospitals and Health Units	Government Hospitals and Health Units
Kampala	2,125	5	585	8·18	6·42
West Buganda ..	219	106	255	1·13	0·63
East Buganda ..	384	208	291	1·05	0·71
Mubende	266	41	—	0·91	0·91
Masaka	300	261	242	1·25	0·87
Busoga	599	461	282	1·42	1·12
Bukedi	414	202	355	1·87	1·19
Bugisu	417	157	80	1·55	1·36
Sebei	42	—	52	1·46	0·65
Teso	267	388	237	1·57	1·15
Karamoja (N and S) ..	234	103	110	1·58	1·19
Lango	317	177	118	1·21	0·98
Acholi (E and W) ..	395	136	503	2·22	1·14
West Nile	360	230	311	1·56	1·02
Madi	161	64	—	2·50	2·50
Bunyoro	381	123	17	1·50	1·45
Ankole	442	389	83	1·07	0·97
Kigezi	279	316	307	1·40	0·93
Toro	259	145	216	1·09	0·73
TOTAL ..	7,861	3,512	4,044	1·59	1·18

* As at date of completion of Second Phase of Rural Hospital Programme.

† Based on Provisional Census results 1969.

7.11 Primary school enrolments, as a percentage of the school-age population, also vary considerably from district to district, as is illustrated in Table VII—4. The Table excludes enrolments in private schools (estimated to cater for about 13 per cent of total primary enrolments in the country) and thus gives an incomplete picture as far as the true state of primary education in the districts is concerned. However, it gives the relevant picture with regard to the distribution of Government efforts. It is seen from the Table that in the best placed districts the percentage of school-age children enrolled is three to four times as high as in Karamoja, and 150 to 200 per cent higher than in several other districts. The figures for enrolments in grant-aided schools alone bring out similar inter-district disparities. It is also relevant that in 1968, primary school student/teacher ratios ranged from 25 to over 40 in the various districts.

7.12 Although the foregoing comments on the distribution of water supplies, hospital beds, and primary enrolments have focused on inter-district differences, even wider disparities exist between towns on the one hand and rural areas on the other, with respect to these and other services. Hence, not only do urban dwellers have greater opportunities for earning income, they also have access to more and better hospital facilities and schools, and they generally have to walk much shorter distances to sources of clean drinking water. Moreover, they enjoy such amenities as paved roads, lighted streets, and police

Table VII—4. Primary School Enrolment by District: 1968.

District	1968 Enrolment P1–P7	As percentage of 7–13 Age Group
Kampala	27,429	62·2
West Buganda	46,431	48·5
East Buganda	44,229	29·9
Mubende	19,304	33·9
Masaka	39,318	33·3
Busoga (*inc. Jinja*)	51,370	31·1
Bukedi	38,278	38·3
Bugisu (*inc. Mbale*)	36,694	45·9
Sebei	5,053	37·5
Teso	39,779	42·2
Karamoja (N and S)	8,909	14·4
Lango	39,350	39·6
Acholi (E and W)	43,556	46·0
West Nile	31,258	26·4
Madi	8,337	44·2
Bunyoro	29,204	47·7
Ankole	47,119	26·4
Kigezi	40,967	28·9
Toro	35,580	33·2
TOTAL	632,165	35·2

patrols which are, at present, simply not available in most rural areas of the country. Urban residents can also arrange electricity and telephone connections to their homes much more easily than their compatriots in rural areas.

7.13 An important aspect of regional development in Uganda is the geographical distribution of the country's population, and the extent of internal migration of the population. Table V—1 in Chapter Five gives the breakdown of Uganda's population by district in 1959 and 1969, and Map A indicates the distribution of the rural population. Even in the absence of a detailed assessment of the situation, it is known that the present geographical pattern of the distribution of the population does not, in a number of instances, correspond to the potential for improved subsistence and commercial agricultural activity in the different areas. In other words, the pressure on available agricultural land varies considerably from area to area. It can also be asserted that this has been part cause of the significant degree of inter-district migration that is evident from a comparison of the 1959 and 1969 census results, and to which attention has been drawn in Chapter Five. To the extent that internal population movements are in response to the availability of agricultural land and other rural resources, they are not of much concern. Indeed some such movement of people is to be encouraged as a matter of policy.

7.14 The really alarming feature of internal population migration in recent years has been the very rapid movement of people from rural to urban areas. Between 1959 and 1969, the growth of population in the urban areas of Uganda has been in the region of 7·5 per cent per annum—over twice the rate of growth of total population. The result has been that in 1969, about 7 per cent of Uganda's population lived in towns with over 2,000 people each, compared to 2·4 per cent in 1959. The number of towns in this category had itself increased from 18 in 1959 to 31 in 1969. The relative importance of the different urban areas in absorbing emigration from rural areas can be seen in Table VII—5.

Table VII—5. The Population of the Main Urban Areas*

TOWNS	Population (1969 Census)	Inter-Censal Percentage Growth 1959–1969	Percentage of total urban population in 1969
Kampala	331,889	8·2	49·93
Entebbe	21,176	6·6	3·18
Masaka	13,008	10·0	1·96
Jinja	47,298	4·6	7·12
Bugembe	48,054	n.a.	7·23
Tororo	14,136	8·0	2·13
Mbale	23,539	5·5	3·54
Soroti	12,330	6·2	1·85
Moroto	8,264	13·8	1·24
Lira	7,338	9·2	1·10
Gulu	19,707	14·2	2·96
Arua	11,099	8·7	1·67
Kilembe	13,673	n.a.	2·06
Fort Portal	8,278	0·0	1·24
Kasese	7,145	15·2	1·07
Kabale	11,239	n.a.	1·69
Mbarara	10,273	9·8	1·54
Other Towns†	56,267	0–18·1	8·46
TOTAL	664,713	7·76	100·00‡

* Towns with a population of over 2,000 each in 1969, Provisional Census results.

† Other Towns over 2,000 population: Mpigi; Njeru; Mukono; Nyendo; Mityana; Mubende; Iganga; Magamaga; Kamuli; Bundibugyo; Hoima; Masindi; Rhino Camp; Moyo; Kitgum.

‡ Figures do not add to total because of rounding.

7.15 Although some of the smaller towns (such as Kasese, Gulu, Moroto) have experienced much higher population growth rates than Kampala, it is Kampala which, because of its size relative to other towns, has harboured the big bulk (39 per cent) of the increase in total urban population. It is, however, to be noted that the population in all individual towns covered in Table VII—5 grew considerably faster than total population. The causes of rural to urban migration are in general no different from those observed in other countries. People are attracted to towns because they imagine that income earning opportunities are greater there, and also because they seek to enjoy the much more abundant cultural, social, recreational and other amenities available in the towns. The weakening of family ties which normally accompanies economic development greatly aids the movement of people from country to town. Rural/urban migration has also been fostered by the primary education system which generally orients young persons to clerical and other urban occupations rather than to the needs of the rural economy.

II. Regional Development Policies

7.16 As stated in the Development Manifesto, the ultimate objective of regional development policy is to ensure that "in every area of the country, there is a mix of economic activities which more or less conforms to the natural and other attributes of the area and which, together with the social services available, enables the citizens resident in that area to enjoy an increasing standard of life comparable to that enjoyed in any other area of the country." This implies, above all, that every region should, in the fullest possible manner, contribute to the total development endeavour and share in the benefits of that endeavour. In its essence, therefore, Government's regional development policy consists of action to permit the thorough exploitation of each region's potential and to counteract or mitigate the influence of the factors causing the type of regional disparities which have been referred to in the preceding section. The basic causes of these disparities are:—

(i) an uneven distribution of exploitable natural resources, particularly agricultural land and favourable climatic conditions;

(ii) the unequal capacities of the various local authorities to provide the economic and social services for which they are responsible; and, perhaps most important,

(iii) the lack, in the past, of an adequate effort on the part of Government to cater for the regional requirements and effects of overall development.

A. *Rural Development*

7.17 The question of rural development is, in a sense, not an issue of regional development as such. It is at the core of the overall development problem. As the bulk of total economic activity takes place in rural areas, it is quite obvious that there cannot be significant overall growth without an adequate expansion in rural production. Further, rural production is naturally identified with well-developed fields of economic activity—crop and livestock farming being the predominant ones. In this sense, therefore, rural development takes on the character of a sectoral rather than a regional development phenomenon. Rural development, however, can also still legitimately be regarded as an issue of regional development, as it mainly involves the organisation of effort for the exploitation of a resource (agricultural land) located in predetermined geographical areas. It is also a regional development issue in that it relates to the distribution of the benefits of development to citizens residing in a defined geographical region of the country in competition, as it were, with residents in other areas.

7.18 The key to rural development lies in the promotion of those economic activities carried out in rural areas. Chapter Ten of this Plan is, in its entirety, devoted to a discussion of the problems and proposed Government measures relating to this aspect of the task. The planned development of the infrastructural economic services, which is described in various chapters of Part Two of this Plan is also designed, in large measure, to promote rural production. While all these measures are intended to develop agricultural output in total, thus enhancing rural incomes in general, they also embody an effort to bring about a considerable regional dispersal of agricultural activity. Most of the specific product programmes—in particular, the development of sugar, tea, tobacco, groundnuts, citrus, kenaf, rice, cattle ranching, dairy farming, small stock farming, fishing—are planned to have a significant impact in this regard, at the same time as they lead to a better diversified agricultural sector and increased total agricultural output. Even the more generalised agricultural programmes are to be undertaken partly as a vehicle for spreading out opportunities for profitable farming. Thus, one of the major objectives of Government's agricultural research programme is to identify lines of activity which can be profitably propagated in those areas of the country where conditions do not favour the "traditional" products or techniques.

7.19 Of special relevance to the regional spread of agricultural production are the various schemes for making available for cultivation and other agricultural use large tracts of land which have, hitherto, been either uninhabitable or otherwise unsuitable for these purposes. Such are the schemes for tsetse eradication, bush clearing, swamp reclamation and the irrigation of new areas. The implementation of all these will have the effect of redressing, to some degree, the imbalance in the natural resource endowments of the different regions. As explained in Chapter Ten, Government will take measures to encourage the settlement and orderly development of "new" agricultural land made available this way, and other land which, though fertile and free from natural encumbrances, remains unutilised mainly for lack of domestic water and other basic facilities such as access roads and essential social services. All this should lead to relief in those areas of the country which are at present experiencing pressure on available land, and to more rational rural population movements generally.

7.20 The special development plan being prepared for North and South Karamoja districts is of special importance in this regard, because it envisages, in the main, the exploitation of currently under-utilised land for new forms of agriculture in an area which generally lags behind the rest of the country in most aspects of development. The people of the area are mostly pastoralists who keep cattle as a symbol of power and prestige rather than for their market value. The traditional practice of cattle raiding both within and outside the districts has created major security problems. Arable agriculture is practised on only a small portion of the land, and almost wholly for subsistence purposes. The limited rainfall, particularly in the easternmost parts of the districts, makes crop agriculture hazardous. With increasing cattle herds, very low offtake and limited water, overgrazing and soil erosion are serious problems. Despite the formidable problems that exist in the area, North and South Karamoja are considered to have a development potential whose exploitation only requires a special effort on the part of Government. The detailed technical and economic investigations to provide the basis of a comprehensive development plan for the two districts have now reached a fairly advanced stage, and, in fact, concrete programmes are being formulated in some sectors. Although the comprehensive plan will also encompass a massive community development programme and the provision of social services, its main emphasis will be on

the promotion of modern arable agriculture and livestock
regard, the plan will contain schemes along the following lines:—

(i) the provision of water for irrigation, livestock, and human use, from boreholes, sand rivers and stored rainwater;

(ii) settlement programmes centred on the growing of suitable crops such as cotton, sorghum, peas and others, for sale;

(iii) access roads to markets;

(iv) cattle improvement, disease control and the commercial production of meat.

The pilot eland ranching project to be undertaken in Karamoja (*see* Chapter Twelve) is also expected to open entirely new possibilities for the districts. Before the finalisation of the development proposals for the districts, no accurate estimates can be made of the financial cost of their implementation. The Government development expenditure of Shs. 20 million which is provided in this Plan is therefore to be regarded as merely nominal, subject to the detailed preparation of the Karamoja Development Plan. It should be noted that expenditure in respect of projects to be carried out in Karamoja which are indicated elsewhere in the Plan does not form part of this provision, but such projects will eventually be incorporated into the Karamoja Development Plan.

7.21 Another area whose development is to be undertaken on the basis of a comprehensive and detailed plan to be prepared early in the Plan period is South Busoga—the 3,000 square kilometres of the district lying between the main Jinja–Tororo Road and the shores of Lake Victoria. This is a highly fertile and accessible area whose development has been hampered mainly by the presence of the tsetse fly carrying human sleeping sickness. As described in Chapter Ten, it is proposed to eradicate tsetse from South Busoga early in Plan III. Meanwhile, plans are being prepared for the orderly utilisation of the area once it has been cleared of the tsetse fly. A provision of Shs. 1·0 million is made for the setting up of initial supporting services in the area. This provision is also subject to revision depending on the exact nature of the projects to be identified for execution in the area.

7.22 As an issue of economic and social justice, rural development encompasses more than just the development of rural production in the various areas of the country. It extends to the very important matter of the provision of social services. It is imperative that all citizens of this country, regardless of their means or their area of residence, should have equal access to the different types of social services offered by Government. Judging from the existing disparities in the level of social services between towns and rural areas, it is evident that not adequate heed has been paid to this principle in the past. In order, therefore, to correct existing imbalances, Plan III places specia emphasis on the development of social services in rural areas.

7.23 This explains the prominent position accorded to the development o rural water supplies, rural health centres and other rural health service

Water and health are the two areas where the needs of rural areas most greatly exceed available services. These two services will therefore form the focus of Government's attention in the provision of social amenities in rural areas. The allocation of planned Government development expenditure during Plan III tends to conceal the relative emphasis to be accorded to rural health and water services. In any assessment of this allocation, it is very important to bear in mind that:—

(i) the provision of water is a much more costly undertaking in urban areas than in rural areas, because, for technical reasons, the inexpensive water supply systems (boreholes, protected springs, etc.), which are the backbone of rural water services, are simply impracticable in the larger towns;

(ii) the most significant component of rural health work consists of preventive and promotional services, such as health education, maternal and child welfare, nutritional services, environmental sanitation, and communicable disease control, whose development entails mostly recurrent spending;

(iii) the health facilities located in urban areas do, in fact, devote a considerable amount of their services to residents of rural areas; and that,

(iv) with the completion of the new 22 rural hospitals, the network of rural health facilities has just gone through a period of tremendous expansion, and now requires consolidation work mainly calling for recurrent expenditure.

7.24 Another problem of extreme importance to welfare in the rural areas and which has been stressed in the Development Manifesto is that of security. The Government of the Second Republic has already given ample evidence of its determination to handle this problem in a resolute manner. The continuing programmes of constructing an extensive network of rural police posts and increasing the mobility of the police force are intended to provide for an even more forceful drive to establish a high degree of personal security in rural areas comparable to that enjoyed in the towns. Other services, of special importance to rural areas, which are to be provided with increased vigour during Plan III, include the community development, radio broadcasting, and primary education. A particularly relevant measure with regard to primary education is the proposed review of the present financing arrangements to ensure that urban and rural primary schools receive equal Government support.

7.25 The principle of "equal access" to social services relates not only to the volume of services provided in rural areas, but equally to the quality of the services compared to those provided in the towns. It is not, for instance, enough for there to be the same number of hospital beds per population or the same number of primary school places per school-age population in rural as in urban areas; the physical standard of the health and school facilities, as well as the numbers and qualifications of the staff manning them, must also be comparable. Increasing attention is to be given to this aspect of the matter, where there appears to be a considerable degree of disparity.

7.26 One of the main problems in providing and improving social services in rural areas in Uganda is the prevailing pattern of settlement in most parts of the country, with individual households scattered all over the countryside. This pattern is traditional to the majority of communities in Uganda and is cherished by them. However, the dispersal of the rural population results in a relatively high per capita cost of providing certain services. Over time, therefore, some change towards more concentrated settlements must come about in order that services can be expanded in rural areas at a lower cost and hence, at a satisfactory pace. The desired change will eventually come about through an evolutionary process induced, mainly, by changing agricultural practices. Government will do all that is necessary to promote this evolution, not only through its agricultural development policy but also through locational policy in respect of rural services and the development of rural trading centres.

7.27 In the Development Manifesto, attention has been drawn to the need for a better integrated approach in the execution of all programmes for the provision of social and extension services in rural areas. During the Second Five-Year Development Plan, a major problem experienced was the lack of adequate co-ordination amongst the varied agencies involved in this at the district and sub-district levels. This led to duplication of effort and facilities, and to a much less than optimal application of resources generally. Inevitably, therefore, the services provided have not been as effective as they should be. Concerted thought is being given to this problem, with a view to effecting closer liaison among departmental rural extension work in all fields and at all levels. The eventual aim is to introduce a fully integrated inter-departmental programme designed to ensure that rural efforts in agricultural extension, marketing, social welfare, community development, health promotion, education and all other services will mutually complement and reinforce one another.

7.28 Early in Plan III, a pilot project along these lines will be introduced in a selected number of gombololas. All the extension staff in the different Government agencies will work as a co-ordinated team, carrying out a commonly agreed programme of services to the people of the selected areas. Depending on the success of the pilot project, the approach will be extended gradually to more gombololas until the entire country is eventually covered. The administrative co-ordination of these "integrated" extension teams will be fully incorporated in the regional planning machinery described in Chapter Nine. The integration which is envisaged will not be confined to the deployment of staff and the co-ordination of their work programmes; it will also extend to the use of physical facilities such as vehicles and buildings. It is expected that the successful introduction of the new organisation of rural extension will result in services being provided with a much more effective impact and at less cost than has been the case in the past.

B. *The Distribution of Services among Districts*

7.29 At the same time as emphasis is placed on rural areas, Plan III involves an effort to progressively iron out imbalances in the availability of social and other services among the various districts.

7.30 The distribution of the basic social services (such as health, primary education, domestic water and the elementary security services) among districts will be principally guided by the overriding principle that such services must, as much as possible, be equally available to every member of the community. Thus, Government policy will be to ensure that their availability in all districts conforms increasingly to the inter-district distribution of the country's population. Various factors, occurring differently from district to district, present difficulties in the pursuit of this idea. Some of the more important ones are: the patterns of settlement, the degree of urbanisation, the strength of the self-help spirit and voluntary work, social customs and traditions, and a variety of historical accidents. Nevertheless, Government policy is based on the conviction that, with a determined effort, many of the obstacles to an equitable distribution of social services will eventually be overcome.

7.31 The relevant chapters of Part Two of this Plan give the details of the objectives and proposals specific to particular social services. It is, for instance, Government policy to ensure that, by the end of Plan III, Primary I intakes into grant-aided schools in every district correspond to the inter-district distribution of the country's school-age population. Government assistance for "development" to primary classes as well as the administration of fees remittance policy will both be utilised to promote this particular objective. The special education programme for Karamoja is directed at the same objective.

7.32 The health development programme is clearly orientated towards the allocation of facilities equitably among the different administrative regions. The location of rural hospitals during the Second Five-Year Development Plan did, in many respects, aggravate the maldistribution of health facilities. During Plan III, an effort will be made to correct this through the allocation of rural health centres and of additional capacity at district and regional hospitals, on both of which the allocation of health staff will also depend to a large extent.

7.33 In all the other social services, the execution of the relevant programmes (e.g. boreholes, police posts, broadcasting) will give primary attention to the allocation of facilities among districts, in strict accordance with relative needs. Other considerations will naturally also come into the picture in a subsidiary way. Thus, in the case of borehole construction, it will always be necessary to consider and assess the technical feasibility of sinking boreholes in particular areas, and the comparative costs and convenience of obtaining domestic water from other sources. Special security considerations may also lead to a distribution of police services differently from what might be expected on the basis of strict population criteria.

7.34 It will be observed that in this Plan no specific locations have been indicated for many of the more important social service projects. This is so for two main reasons. First, it is deemed prudent to provide Government with ample flexibility to determine the siting of facilities in the light of the actual situation prevailing when the execution of the projects is being undertaken. In the second place, although we do have a general idea regarding the distribution of the various services, the situation is not known with the required degree of precision. Various comparative indicators, some of which have been used in the discussion of the first section of this Chapter, are of universal relevance. However, their meaningful application in the analysis of regional development in Uganda and in the regional allocation of social services requires much more intimate acquaintance, than we have at the moment, with the state of development in the various regions. It will be one of the most important functions of regional planning to provide this required additional knowledge and, on the basis of this, to evolve and develop a set of objective and practical criteria for use in the allocation of social service facilities among the different districts and other administrative units. The work of formulating appropriate distribution criteria is already under way, and its results will be used in choosing the sites of the various projects for which no location has been identified in the Plan.

7.35 "Districts" are regional entities whose boundaries are determined primarily on the basis of administrative convenience. For various reasons, they are also considered to be useful concepts in regional development policy in Uganda. However, as has been stressed in the Development Manifesto and, repeatedly, elsewhere in this Chapter, income distribution policy fundamentally relates to the distribution of the benefits of development among individuals. In view of the varying populations of the different districts, it would be clearly inequitable to provide an equal volume of social services to all districts. The criteria being worked out will ensure that, subject to some minimum provision for each district (or other administrative unit) social services are developed with primary reference to the population of the districts, due allowance being made for the sharing of certain facilities by two or more districts as may be convenient. The criteria will also give recognition to the fact that the availability of social services in an area is an important determinant of its viability as a location of economic activity.

7.36 Before more elaborate and reliable distribution criteria have been devised, services will be allocated, as much as possible, with a view to reducing the gaps illustrated by the crude indicators used in Section I of this Chapter. It is very important to emphasise that Government does not envisage that policy based on these indicators or any other criteria will deny any part of the country some appreciable measure of improvement in social services. This is a central requirement of Government regional development policy. The primary aim of policy is to develop social services in *all* areas of the country. However, in order that these services are more evenly available, their development in some areas will be faster than in others. This same principle applies equally to the regional distribution of other forms of income, and the size of the planned overall development effort has been determined, in part, with a view to permitting its observance.

7.37 The regional allocation of "economic infrastructure" services (such as roads, telecommunications, power and water for production purposes) is to be guided primarily by the need to ensure a level of services adequate to support the present and prospective volume of economic activity in each district, and to stimulate the development of those district economies which significantly lag behind others. In most cases, therefore, the provision of these services is to be based on considerations of demand, in strict economic terms. In other cases (such as the development of accesses to new tourist attractions, irrigation work in new agricultural areas, tsetse eradication) however, the emphasis will be on the stimulation of economic activity in new areas. In the case of a few of the economic services (such as main roads), an additional consideration will be the need to provide some minimum volume of service in each district. All these factors have influenced the content of the relevant programmes described in Part Two of this document.

7.38 The unequal capabilities of local authorities have been cited as a factor contributing to the present uneven distribution of services in the different areas of the country. The influence of this factor is particularly relevant to the difference between urban services and rural services, but it also partly explains the inter-district variation in those services for which district administrations have hitherto been responsible. The most important of this latter category of services are boreholes, rural health units, primary education and local roads. In an attempt to combat this particular source of regional inequalities, a two-pronged policy is to be pursued.

7.39 In the first place, steps are being taken to rationalise the division of responsibilities between Government, on one hand, and local authorities, on the other. In view of the necessarily limited financial resources available to local authorities, this rationalisation involves mainly the transfer of responsibilities from local authorities to Government in respect of services which are of vital importance to people's welfare and which, at the same time, require extensive financial and manpower resources for their development. Over the course of the last four years or so, Government has effected the complete take-over from district administrations of responsibility for the drilling and maintenance of boreholes in rural areas. The allocation of boreholes is now administratively handled by a central committee which, however, acts in consultation with local advisory bodies. As mentioned in Chapter Seventeen, steps are already under way to enable Government to assume full administrative responsibility for the operation and development of all local health services. Again, appropriate arrangements are being made to ensure that, even after the transfer of these services, local organs continue to play an important part in the planning of the services at the local level. With regard to roads, the rationale of the present division of responsibilities between local authorities and Government will be retained but, on the basis of the current review of the road classification system, more objective criteria to guide decisions on the allocation of responsibility for particular roads will be evolved. Also, as mentioned in Chapter Fourteen, measures are being taken to re-deploy the road maintenance facilities, operated by Government and the local authorities, in such a manner as to avoid duplication and generally to ease the burden on local authorities. All this re-organisation is intended not only to increase the volume and quality of service provided, but also to enable Government to ensure better and even distribution among the various districts.

7.40 It is true that, in the past, local authorities have been given responsibilities which they could not all shoulder effectively or in a manner to promote Government's regional development objectives. However, the cultivation of a system of viable local government is a very important aspect of the political and economic development of this country, and this requires, among other things, that a range of services and other activities continue to be assigned to sub-national administrations. The most important single factor affecting the efficiency with which local authorities perform their responsibilities is the amount of finance available to them. The financial strength of local authorities is partly a function of the tax and other revenues they can raise in their respective areas. Given the level of administrative efficiency, the amount of such revenue which a local authority can generate will depend on the resources, economic activity and incomes in the area under its administration. It is thus inevitable that the amount of revenue raised by local authorities in Uganda differs significantly from area to area. It is equally true that the total amount of such revenue cannot be sufficient to meet even the current reduced level of responsibilities of the local authorities.

7.41 In order, therefore, to enable local authorities to discharge their responsibilities adequately, Government will increase the total volume of its financial assistance to local authorities. As can be seen from Chapter Eight, Government "block" grants to local authorities are planned to grow in total from the estimated level of about Shs. 31 million in 1971/72 to Shs. 50 million in 1975/76. Similarly, an additional Shs. 60 million is planned to be contributed by Government to the Local Authorities Loan Fund (LALF) during Plan III. Of more importance to regional development policy, this financial assistance will be increasingly utilised as a channel for equalising the capacities of the various local authorities to provide the community services for which they are responsible. Criteria appropriate to this objective will be introduced in the administration of both the "block" grants and the LALF.

C. *Urban Development*

7.42 In Section I of this Chapter, mention was made of the rapid movement of population from rural to urban areas which has taken place in the past, and of the factors which give rise to this movement. Such migration constitutes an attrition to the quality and quantity of the agricultural labour force, and it may explain the evident bias of the age and sex distribution of the rural population in some areas towards the old, female and the very young. The most important socio-economic effect of rural-urban migration, however, has been to increase the demand for services and employment in urban areas at a greatly accelerated rate. Indeed the rate of urbanisation is deemed to have been excessive mainly on the grounds that there exists, in the towns today, widespread unemployment and extreme pressure on certain basic facilities (especially housing, water and sewerage) as is evidenced by the mushrooming of slum areas within or just outside the boundaries of all important urban areas. The well-known grave economic, social and political dangers inherent in such a situation render urban development a legitimate area for urgent concern in overall development planning.

7.43 The first important issue regarding urban development is how to keep the overall rate of urbanisation within the limits dictated by our ability to provide urban services and fruitful employment. The only effective means of restraining the growth of towns through an influx from rural areas is to expand opportunities for gainful employment in rural areas, and to make rural life generally more attractive from the social and cultural point of view. In other words, the real and imaginary economic and social disparities between towns and rural areas need to be drastically reduced for there to be any appreciable brake in the flow of people to urban areas, quite apart from the equity issues involved. In previous paragraphs of this Chapter, the essence of Government's strategy for rural development has been described. However, it is only in the long run that the action envisaged in the strategy is expected to have any significant decelerating influence on the rate of urbanisation. It is thus reasonable to anticipate that over the coming few years the total urban population will continue to grow at rates approximating those experienced in the recent past. If this actually happens, the total urban population of Uganda will stand at about 1·5 million (or at least 11 per cent of total population) by 1980. The population of Kampala alone would exceed 750,000.

7.44 This then raises the second central question of urban development strategy: how best to accommodate the inevitable expansion of the urban population. The employment needs of the urban population can only be catered for through an appropriate expansion of urban economic activity. This activity consists of manufacturing industry, construction, commercial activities and a whole range of diverse Government, personal and household services. The planned expansion of these activities is the subject of separate chapters in Part Two of this document; the anticipated impact of their expansion on the employment situation as well as the special measures to enhance this impact are discussed in Chapter Six. As the discussion in Chapter Six bears out, it is not considered feasible to expand urban employment opportunities at the rate necessary to absorb all potential urban job seekers. Again, therefore, reliance has got to be put on the acceleration of rural development as the long-term solution to urban unemployment problems.

7.45 A sizeable proportion of total planned investment is expected to be undertaken in urban areas. Part of this will be in "productive" and commercial urban enterprises whose expansion is a vital pre-condition for accelerated overall development and employment generation. The other major component of urban investment will be for the provision of basic facilities to support production enterprises and to meet the social service requirements of the fast growing urban population. The important Plan III programmes falling within this category are: the installation or augmentation of water and/or sewerage works in over 70 towns all over the country; major road improvements in selected urban areas, particularly in Kampala; important improvements and extensions to district and regional hospitals, and the erection of a new district hospital in Kampala; and the continuing housing construction activity of the National Construction Corporation and other developers. All these programmes are directed at relieving critical situations. Although Government and Government corporations will directly undertake most of these programmes, the urban authorities themselves are expected to handle a considerable portion of the work involved. This calls for higher levels of Government financial assistance to these authorities, especially the smaller ones. In addition, virtually all planned investments in general administrative facilities will naturally take place in towns, where the headquarters and main sub-offices of all Government Ministries and Departments and of Local Authorities are located. The physical planning of urban investment to ensure healthy and pleasant living conditions, adequate room for expansion, and the most efficient utilisation of space and location of facilities, constitutes an increasingly important task of regional planning in Uganda.

7.46 Urban development strategy concerns itself also with the distribution of urbanisation over the country as a whole. In Section I of this Chapter the location of the more important urban areas in the country was indicated. The predominant position of Kampala was brought out, as was the general concentration of urban development in a fairly distinct belt extending from Kampala, along the shores of Lake Victoria, to Jinja, Tororo and Mbale. There are two topical and closely inter-related planning issues arising from the regional pattern of urban development in Uganda.

7.47 The first is the question of the size to which the growth of individual towns should be allowed to grow—whether the concept of an "optimum" size of town has any fairly immediate practical relevance in Uganda. Apart from the general controversy surrounding the very nature of this concept, the Government does not have any evidence to show that any of the present towns in Uganda is in danger of growing to an absolute size that would, *per se*, be harmful to any aspect of the life of the country. As long as the required social and economic infrastructure investments are provided in the framework of well conceived plans, it is not considered necessary or even desirable to predetermine the size to which particular urban areas should grow, provided this growth is based on an expansion of activities which are of benefit to the economy. The Government is of the view that the various considerations involved in this issue need much more study before any definitive policy on it is adopted.

7.48 The other topical question regarding the pattern of urban development is whether Government should, as a matter of policy, deliberately promote the growth of towns in particular regions, even at the expense of growth elsewhere. This matter is obviously intimately linked with the one considered in the preceding paragraph, in that it relates to the need for direct Government action so that particular towns do not grow faster or slower than is "desirable". The real issue of the *relative* growth of towns, however, concerns the geographical distribution of the activities associated with urban areas.

7.49 This, therefore, raises the matter of industrial location policy. As has been emphasised in several places elsewhere in the Plan, Uganda faces some very critical constraints in its industrialisation efforts. Alongside considerations of demand, technology and organisation, a very important element determining the viability of many industrial projects in Uganda has been, and will continue to be, their precise location within the country. It is the unfortunate characteristic of economies, like Uganda's, that even if industrial projects are assigned to their most viable locations, it would still require a mammoth effort to attract sufficient projects to provide the required value of industrial development. Even on the basis of optimum economic location, only a handful of projects can be viably set up in Uganda without varied and costly support by Government. A much smaller number of industrial projects can be regarded as viable regardless of location, even with massive Government support. Uganda is not in a position to pick and choose among a whole range of viable project locations. In many cases, a project will be viable in only one specific location. Some important decisions made during recent years suggest that the fundamental limitations on industrial location policy in Uganda were not always fully recognised. The effect of such decisions has been, quite predictably, a flagrant waste of resources and the frustration of industrial development itself. In the future, Government policy will be to avoid decisions of this nature.

7.50 Specifically, the overriding concern will be to promote the greatest possible volume of total industrial activity. Accordingly, Government will do nothing to direct industrial enterprises away from their optimum economic locations. On the contrary, positive support will be given to enable enterprises to be set up in such locations. Conversely, Government will not commit itself to any important level of special assistance to industries which get set up in uneconomic locations. The application of such a policy, in its strictest terms, would naturally lead to industrial activity being concentrated to an even greater degree in the Kampala—Jinja—Tororo—Mbale region. In principle, this would be quite consistent with Government's regional development objectives which require the gradual equalisation of incomes and not necessarily of specific types of economic activity. As stated in the Development Manifesto, the ultimate objective is to develop "some pattern of regional specialisation most suited to the geographical distribution of the resources of the country." It also needs to be emphasised that Government's industrial location policy as summarised here does not negate the application of social criteria in the evaluation of industrial projects, since locational considerations are as relevant to the use of these criteria as they are in a purely commercial evaluation.

7.51 Notwithstanding all this, Government's policy is not to be interpreted as one of total unawareness of or unconcern with the need to disperse the modernising influence of industrial development as widely as possible. The implementation of various actions embodied in Plan III would promote such a dispersal in a gradual but well founded and lasting manner. Reliance is principally to be placed on the full exploitation of each region's agricultural potential for the creation of markets and raw material supply bases that would attract industry to new areas. This is yet another area where Government policy hinges on the inherent inter-dependence between rural and urban development. In addition, the planned development of social and economic services, with emphasis on the amelioration of regional inequalities in their availability (which, as already indicated, is a major concern of Government regional development policy, will go a long way to ensure that the capacity of the various parts of the country to attract and support a share of total additional industrial activity is increased. In those very few cases of industries which are truly "footloose" in Uganda's context, Government will consider favourably the extension of special assistance to enable them to get established outside the present region of relative industrial concentration. This is the rationale of Government's special efforts to develop small-scale industries in the smaller urban areas. Such industries do not only help to immediately diversify economic activities in these areas but they also enlarge the economic basis for the future establishment of larger and larger industrial undertakings.

7.52 Outside the type of action mentioned in the foregoing paragraph, Government will not, in general, use its industrial development policy as a vehicle for influencing the growth of particular urban areas. The Government realises that, in the longer term context, it is necessary to start giving thought, now, to the notion of regional "growth centres" or "poles" as a means of promoting industrial development in up-country areas. Studies will be mounted to determine the practical usefulness of this concept for regional development policy in Uganda and to establish guidelines for the selection of the "growth poles" themselves.

7.53 What is commonly overlooked is the fact that, with relatively few exceptions, all sizeable towns in Uganda have received their initial growth impetus from their role as administrative centres—frequently as district headquarters. Even now, a considerable proportion of total urban employment is in non-industrial public services. This observation points to the possibilities which exist for promoting the dispersal of urbanisation through policy relating to the location of Government administrative facilities. These possibilities will be fully exploited whenever the decentralisation involved does not seriously conflict with the requirements of efficient administration. It is considered that certain Government facilities (such as training centres, research stations) can be established in up-country areas without any adverse effect on their efficiency, and the location of such facilities will therefore be used as a means of fostering regional "growth poles", when these have been selected.

D. *Regional Planning*

7.54 The proper implementation of the policies described in the foregoing paragraphs requires the institution of an appropriate regional planning framework. The problems that arise in this regard concern the definition, in practical terms, of the relevant scope of regional planning and its place in national development planning, the identification of the most urgent tasks for regional planning and the establishment of an institutional machinery for the performance of these tasks. All these issues are discussed in Chapter Nine. Here, it is enough to emphasise that unless the organisation and scientific quality of regional planning are considerably improved in the future, it will not be possible to effect in any systematic way, the regional development policy laid down in this Chapter.

III. Summary of Government Expenditure

7.55 The Plan III Government development expenditure on the projects described in this Chapter adds up to Shs. 81·0 million, and is summarised below by major programme.

Table VII—6. Regional Development—Government Development Expenditure*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	KARAMOJA DEVELOPMENT PROGRAMME ..		20·0	20·0
7–2	Karamoja Development Programme—National Provision	MFP	20·0	20·0
	SOUTH BUSOGA DEVELOPMENT PROGRAMME ..		1·0	1·0
7–3	South Busoga Development Programme—National Provision	MFP	1·0	1·0
	PROGRAMME: CONTRIBUTIONS TO HALF (UNSPECIFIED PROJECTS)		60·0	60·0
7–1	Contribution to LALF—Unspecified projects	MLA	60·0	30·0

*The relationship between the 'bank' and 'high priority' allocation to each project is explained in Chapter Eight (paragraphs 8.7–8.10). The system of code numbers associated with each project is explained in Appendix I.

†MFP = Ministry of Finance and Planning.

‡MLA = Ministry of Local Administrations.

Chapter Eight

THE ALLOCATION AND FINANCING OF PUBLIC SECTOR EXPENDITURE

I. Government Development Expenditure

8.1 During the Second Five-Year Development Plan, Government development expenditure grew at a very rapid rate from a low base. The Plan set a range for total expenditure of Shs. 1,440 million to Shs. 2,160 million (at 1964 prices), with a target figure of Shs. 1,800 million. However, it is estimated that the actual out-turn will be Shs. 2,110 million (at current prices), 17 per cent higher than the Plan target. Development expenditure in 1970/71 was running at a level three and a half times that of 1966/67, the first year of the Plan, and 80 per cent higher than the target for the terminal year of the Plan. The annual expenditure targets of the Second Five-Year Plan and the actual out-turn are presented in Table VIII—1.

Table VIII—1. Development Expenditure 1966/67–1970/71: Planned and Actual.

(Shs. million)

	1966/67	1967/68	1968/69	1969/70	1970/71	TOTAL
Plan target (Trend) . .	300	330	360	390	420	1,800
Actual outturn . .	222	254	410	465	759*	2,110
(Shortfall)/Excess . .	(78)	(76)	50	75	339	310

*Forecast out-turn.

8.2 Table VIII—2 summarises the Plan targets and actual out-turn by Ministry.

8.3 Total development expenditure during the first four years of the Plan period corresponded to the Plan target, although the allocation of expenditure often varied from Plan priorities. During the last year of the Plan, however, development expenditure was extremely high, largely because of a number of political decisions, especially that to construct the Nile Hotel and International Conference Centre, taken by the previous Government during 1970. Apart from this, the overall achievement of the Plan development expenditure target can be attributed to a number of factors. There was a gradual improvement in budgetary practices, and a more accurate forecasting of available resources. The capacity to identify and prepare projects also increased, although this varied considerably from Ministry to Ministry. A further contributory factor, especially in the 1969/70 financial year, was the successful negotiation of a number of external loan agreements.

8.4 The very high level of expenditure in the last three years of the Plan was partly financed by greatly increased short-term borrowings from the Bank of Uganda. For this reason, therefore, the experience of the

Table VIII—2. Second Five Year Plan—Development Expenditure by Ministry.

(*Shs. million*)

Ministry*	Planned Expenditure†	Out-turn‡	Out-turn on Planned (%)
Office of the President, Public Service and Local Administrations	60·9§	108·2	178
Judiciary	23·1	2·9	13
Foreign Affairs‖	19·2	92·7	483
Attorney General's Chambers	2·4	2·3	96
Finance	·1	26·5	—
Commerce, Industry and Tourism	11·9	14·4	121
Agriculture, Forestry and Co-operatives	151·7	193·8	128
Animal Industry, Game and Fisheries	197·1	127·5	65
Mineral and Water Resources	49·2	84·7	172
Education	237·3	189·3	80
Health	148·9	191·3	128
Culture and Community Development	27·1	33·7	124
Works, Communications and Housing	338·6	355·3	105
Information and Broadcasting	42·1	18·2	43
Labour	12·4	7·0	56
Internal Affairs	181·9	53·7	30
Defence	142·9	243·5	170
Planning and Economic Development	—	6·8	—
Contributions to the Government Corporations¶	152·6	339·3	222
Statutory Expenditure	—	18·4	—
TOTAL	1,799·4	2,109·5	117

* The Plan and out-turn figures have been arranged to correspond to the allocation of Ministerial responsibilities at the end of the Second Plan.

† Expenditure figures are based on the allocations in the Supplement of Projects to the Second. Five-Year Plan, reduced to correspond to the Plan Trend Target for Development Expenditure

‡ Sum of actual expenditure 1966/67, 1967/68, 1968/69, 1969/70 plus forecast out-turn for 1970/71.

§ Excludes expenditure on Kampala and Jinja Water and Sewerage Schemes.

‖ Includes expenditure incurred in the construction of Nile Hotel, and International Conference Centre, Kampala.

¶ Contributions through the Local Investment Fund; other contributions to Government Corporations; and acquisition of shares in participating companies.

immediate past cannot be taken as a guide to an appropriate level of development expenditure in Plan III. In general the dominant constraints on an expansion of expenditure in the Second Five-Year Plan were the availability of non-inflationary financial resources, and the managerial and administrative capacity for designing and implementing projects. It is expected that these constraints will continue to impose limitations on the level and allocation of development expenditure during the Plan III period.

8.5 During Plan III, Government will limit development expenditure to a level determined by the availability of financial resources. In section III below, the sources of finance for development expenditure are examined, and estimates are made of the magnitude of resources that are expected to be available to Government for development spending. On the basis of these estimates, the Plan III development expenditure target is set at Shs. 3,200 million, phased as follows:—

Table VIII—3. Plan III: Phasing of Development Expenditure.

(*Shs. million*)

	1971/72	1972/73	1973/74	1974/75	1975/76	TOTAL
Target	633*	570	610	660	730	3,200 (rounded)

* Corresponds to the estimate of development expenditure contained in the 1971/72 Financial Statement, amended as explained in paragraph 8·6.

8.6 The coverage of the target figure should be clearly understood. Expenditure to be incurred in the Plan period in respect of projects on which work is already under way is included. At the same time, a number of projects initiated in the Plan period will be uncompleted by June 1976, and the expenditure relating to the unfinished portion of such projects is excluded. In addition to normal project expenditure, the target figure includes expenditure for the purchase of shares in those companies in which Government is participating, allocations to the Local Investment Fund and the Local Authorities Loan Fund, and statutory expenditure normally entered on the development account. However, repayment obligations in respect of contractor finance and similar agreements which are generally defined in the Budget as development expenditure are, in the financial scheme of this Plan, covered in the Public Debt item on the recurrent account. Apart from this, differences between the Plan coverage of development expenditure on one hand, and budgetary concepts on the other, are not significant, and arrangements are being made to remove such anomalies in future planning.

8.7 The full cost of all projects identified and costed in the Plan amounts to Shs. 3,679·0 million, 4 per cent more than the Plan target of Shs. 3,200 million. The higher figure is known as the "bank" of projects, and represents those projects which are endorsed for implementation during the Plan. The "bank" consists of projects which Government feels it has sufficient managerial capacity to design, implement and follow-up, and for which rudimentary cost-benefit analyses indicated that such expenditure would be justified. However, for various reasons it is inevitable that all projects in the "bank" cannot be implemented in full. As circumstances change, new projects will be added to the list, and others deleted. Moreover, there will be delays in implementation, partly through problems of designing the projects and partly because of delays in securing external assistance. Parts of some projects will be carried over to the Fourth Plan. In view of all this, the "bank" of projects should be regarded as flexible. There should always be a greater volume of projects than available resources, so that the determination of priorities for spending is not based (as often in the past) simply on the state of readiness of the various projects but also on the relevance of a project to both the overall strategy of the Plan, and the developments in other sectors of concern to the project in question. The Plan target, which is based on available financial resources, indicates what Government expects to spend on development activities over the Plan period. The "bank" is a summary of all justifiable projects from which those projects to be implemented will be drawn.

8.8 From within the "bank", those projects which are of high priority have been identified. Projects in the high priority category are those which Government has identified as representing the minimum development effort which must be undertaken to realise the major objectives of this Plan.

8.9 Government's intention is that as a minimum goal, all high priority projects should be implemented during the Plan. To make quite certain that financial resources are available for all those projects, their total value has been restricted to Shs. 2,700 million, about 15 per cent less than the overall development expenditure target of Shs. 3,200 million. The gap between the value of identified high priority projects and the overall development expenditure target is intended to take account of the operation of the following factors. First of all, the project costs in the Plan are expressed in 1971 prices, and allowance must therefore be made for the inevitable rise in prices. Secondly, it is inevitable that in many cases the financial provisions made against the projects will understate the final out-turn cost because these projects have only been costed in an approximate way. Thirdly, during the course of the Plan, it is to be expected that several projects will be added to the high priority list. Finally, the gap between total development expenditure and high priority expenditure represents, in part, development expenditure on the Armed Forces during the Plan period, for which no explicit provision is made in the Plan.

8.10 As just stated, projects on the priority list will have first call on financial resources. Projects not included in the priority list will only be implemented after financial resources for all the projects in the priority list are assured. Bearing in mind the impact of the factors listed in the previous paragraph, it must be recognised that, at best, only very few of those projects not now in the priority list will have financial resources available for their implementation.

8.11 The target of development expenditure will be allocated to Ministries and to the other claimants on Government in accordance with the overall strategy of the Plan. Considerable emphasis will be placed on the productive sectors of the economy. The main source of growth of the economy will continue to be the direct and indirect effects of an expansion in commodity production activity, especially in the rural sector. Moreover, the provision of the essential services can only grow on the basis of increasing Government revenue, which is primarily a function of expanding agricultural and industrial production. For these reasons, activities relating to agriculture and livestock production will receive a large share of total development expenditure over the Plan III period. Government will also finance a considerable amount of industrial investment. Overall, about one-third of total development expenditure will be allocated directly or indirectly to the productive sectors of the economy.

8.12 In all other sectors, Government will continue to expand services where there is a clear need for doing so, and with special emphasis on services in the rural areas where the bulk of the population lives. In planning these services, very special care will be taken to ensure that such services are equitably distributed over the country, and that services are provided at the least cost commensurate with effectiveness. Notwithstanding the strategy which is outlined in this and the preceding paragraph, Government's initial attention will be devoted to the completion of all those projects on which it has incurred specific legal and financial commitments.

8.13 The entire list of Plan III Government projects is contained in Appendix I. Table VIII—4 and Table VIII—5 summarise the total cost of the "bank" and "high priority" projects. Although the subject matter of the Chapters of the Plan do not correspond closely to a sectoral classification of economic activities, a broad approximation of the sectoral allocation of expenditure may be obtained from Table VIII—4, which summarises Government development expenditure on projects described in the various chapters of the Plan. Table VIII—5 summarises by Ministry the total cost of the projects identified in the chapters.

Table VIII—4. Plan III—Development Expenditure (by Plan Chapter)

(Shs. million)

Plan Chapter*	"Bank"	"High Priority"	High Priority on Targe Development Expenditure
			%
Population	1·0	1·0	—
Manpower and Employment	4·5	3·5	0·1
Regional Development	81·0	51·0	1·6
Allocation and Financing of Public Sector Expenditure	10·0	10·0	0·3
Functions and Machinery of Planning	20·0	10·0	0·3
Rural Production	878·3	677·0	21·2†
Manufacturing, Mining and Construction	352·8	338·3	10·6
Tourism and Wildlife	62·3	49·3	1·5
Commerce and Financial Institutions	52·0	52·0	1·6
Transport and Communications	761·1	480·3	15·0
Water	173·7	159·8	5·0
Health Service	267·8	183·5	5·7
Education	339·6	246·9	7·7
Housing	48·0	35·0	1·1
Community and Information Services	145·1	101·8	3·2
General Administration and Security Services	481·0	299·8	9·4
TOTAL	3,678·2	2,699·2	84·4‡
Unallocated Balance (Paragraph 8.9)	—	500·0	15·6
Target Development Expenditure (Table VIII–3)	—	3,200·0	100·0

NOTES:—

*Plan Chapters which do not contain a provision for Government development expenditur are not listed in the Table.

†The difference of Shs. 0·8 million between the totals in Table VIII–4 and Table VIII– is explained in Appendix I.

‡Figures do not add to total because of rounding.

Table VIII—5. Plan III—Development Expenditure by Ministry

(Shs. million)

Ministry	"Bank"	"High Priority"	Percentage
President's Office	34·0	24·0	0·8
Judiciary	22·3	13·4	0·4
Public Service and Cabinet Affairs	76·9	40·0	1·3
Local Administration	10·0	5·0	0·2
Contribution to Local Authorities Loan Fund	115·0	57·0	1·8
Foreign Affairs	10·0	3·0	0·1
Attorney-General's Chambers	1·0	0·1	—
Finance and Planning	67·2	43·2	1·3
Contribution to Local Investment Fund	688·5	624·2	19·5
Agriculture and Forestry	344·0	225·3	7·0
Animal Industry Game and Fisheries	299·6	268·3	8·4
Commerce and Co-operatives	16·1	16·1	0·5
Industry	36·1	29·6	0·9
Mineral and Water Resources	109·8	98·4	3·1
Education	328·0	235·3	7·4
Health	268·0	183·7	5·7
Culture and Community Development	80·3	52·2	1·6
Works and Housing	630·9	371·1	11·6
Power and Communication	123·8	120·8	3·8
Labour	16·5	15·5	0·5
Information and Broadcasting	72·8	55·6	1·7
Internal Affairs	328·2	218·2	6·8
TOTAL	3,679·0	2,700·0	84·4
Unallocated Balance (Paragraph 8.9)	—	500·0	15·6
TARGET DEVELOPMENT EXPENDITURE	—	3,200·0	100·0

8.14 Contributions to the Local Investment Fund for the financing of a number of Government corporations will be the largest single item of development expenditure. Within this, large disbursements are planned for the Uganda Development Corporation, the proposed National Water Board, the new Uganda Development Bank, and for the purchase of shares in those companies in which Government is participating. Significant expenditure is envisaged for the Ministry of Works and Housing, largely on the continuing road programme, and on the Police Force and Prisons Services, of which a major part represents the accumulation of projects which had been envisaged for implementation in earlier Plans. To correspond with the objectives of the Plan large expenditure is planned for the Ministries of Agriculture and Forestry, and Animal Industry, Game and Fisheries. For the same reasons significant portions of the expenditure envisaged for the Ministries of Education and Health will be in the rural areas. To release resources for all these Ministries, expenditure in the other mainly service Ministries is planned to expand in a very moderate manner.

8.15 At this stage, it is not possible to provide a detailed breakdown of Government development expenditure by district. However, it should be noted that Government expenditure is a significant determinant in the overall behaviour of the economy. In addition, of course, the provision of basic services by the Government is one of the means by which the standard of living of the mass of the people may be raised. For both of these reasons, therefore, Government will pay particular attention to the regional distribution of its expenditure to ensure that each district benefits as much as possible from the overall expansion of expenditure envisaged.

8.16 Not all Government development expenditure will result in capital formation in the sense understood in national accounting terms. A considerable proportion of total planned development expenditure will be incurred on the provision of credit and subsidies, and in the way of financial contributions by Government to the parastatal sector. In addition, development expenditure on defence is not regarded as capital formation. It is estimated that of the Plan III target expenditure figure of Shs. 3,200 million, about Shs. 1,600 million will result in fixed capital formation.

II. Government Recurrent Expenditure

8.17 A major factor in the successful implementation of a development plan is the proper allocation and control of recurrent expenditure. First, recurrent expenditure must be allocated to correspond to the priorities of the Plan. In the second place, with a given recurrent revenue, restraint on recurrent expenditure is necessary in order to generate budgetary surpluses which may be transferred to the development budget. However, too tight a control on recurrent expenditure (for example, postponing the repairing of an important road, or maintaining an unfavourable class-teacher ratio) to release funds for development expenditure may well be false economy in the long run. Further, past development expenditure inevitably induces increases in recurrent expenditure: the new hospitals and schools must be staffed, and new roads, water supplies and the like maintained. This factor puts definite limits on the flexibility with which recurrent expenditure can be planned.

8.18 There has been a very rapid expansion of recurrent expenditure in the immediate past. Over the course of the Second Five-Year Development Plan, expenditure grew from Shs. 714 million in 1966/67 to an estimated level of Shs. 1,184 million in 1970/71. This represents an average growth rate of 13·5 per cent, considerably higher than the Plan estimate of 9·3 per cent. Some of this increase is attributable to a faster than anticipated rise in prices. The rapid growth was also, in part, a function of earlier increases in development expenditure on social services, especially education and health services, and on general administrative services which necessitated commensurate increases in recurrent expenditure in subsequent periods. In addition, in 1967/68 the responsibility for a number of services was transferred from the Local Authorities to Government, and the resultant increase in Government expenditure was not fully offset by the reductions in grants from Government to the Authorities. Further, a significant part of the increase in recurrent expenditure was due to indiscriminate expenditure of a wasteful and luxurious nature, and to a lack of control by Government over unnecessary expenditure. With regard to the pattern of recurrent expenditure the most noticeable aspect was the switch in the allocation of expenditure away from the social services (in spite of the increase in absolute terms noted above) and economic services in favour of general administrative services.

8.19 In the Plan III period, Government will exercise very strict control over the expansion of recurrent expenditure. Extreme constraint will be exercised on all types of expenditure and at all levels, subject to necessary expansion in certain Ministries, in line with the strategy of the Plan and with the allocations of development expenditure.

8.20 A major influence on the growth of recurrent expenditure is, as noted above, the cumulative effect of development expenditure incurred in previous years. However, it is impossible, from the available Government accounts to make an accurate estimate of the actual impact on recurrent expenditure of development expenditure. A forecast is generally made, prior to the implementation of a project, of the likely effects on recurrent expenditure, but there is no way of checking whether the forecast is achieved. However, an estimate has been made that about 7–9 per cent of development expenditure will generate an increase in recurrent expenditure of a similar magnitude with a one-year time lag. This figure, which varies strongly according to sector (education and health services have figures which are relatively higher, and general administration and "productive" services have figures which are relatively lower, than the average), is comparable to other countries at a similar stage of development, and with a similar composition of the development budget. The impact of development expenditure will mainly occur in the Government consumption account of the recurrent budget (i.e. wages and salaries, maintenance costs and the provision for goods and services). It is expected that the allocation of development expenditure in Plan III will induce a slower growth in recurrent expenditure than in the past, largely because of the relatively greater emphasis on the productive sectors in the allocation of development expenditure. Of the increase in recurrent expenditure that will occur, roughly half will be induced by the impact of development expenditure, and the balance from the normal annual incremental increase in wages and salaries and rising prices. For these major reasons, it proves very difficult to hold down expenditure below a certain minimum rate since, with inevitable cost increases (e.g. through rising import prices), and salary increments, recurrent expenditure is bound to grow every year.

8.21 A number of measures will be taken to ensure tight control on the growth of recurrent expenditure. Expenditure on low priority activities will be ruthlessly curtailed. The structure of Government will be continuously reviewed to ensure the most efficient utilisation of the available human resources. The various privileges offered to Government leaders and officials which are regarded as excessive in the light of the conditions of the country will be eliminated. Expenditure of a prestigious nature (for example Government entertainment) will be carefully controlled, and more efficient use will be made of existing Government facilities and property. The growth in wages and salaries in Government will be in accordance with the principles specified in the income policies section of the Development Manifesto. Government will seek to remove anomalies in the grading of certain posts of the Public Service, and faster acceleration will be permitted in wages at the lower end of the wage structure of the Public Service. Apart from this, due to the normal incremental creep, there will be a continual growth in wages and salaries of all but the most highly paid Government servants. Regular reviews will be made of those major activities inducing significant increases in recurrent expenditure. A study will be carried out to ascertain the detailed impact of development expenditure on the growth of recurrent expenditure and to ensure that this impact is minimised, and special attention will be paid to the rising costs of the education and health services and services provided within the public administration sector. In all this, an attempt will be made to ensure that Government is achieving its desired objectives at the least cost.

8.22 Public debt charges (including both interest and principal payments) are anticipated to grow considerably over the Plan period. This is because of the significant increase in borrowing during the Second Five-Year Development Plan period, and the new liabilities which will be entered into during the early part of the Plan III period. As a percentage of recurrent revenue, debt charges, estimated at 10·1 per cent in 1971/72, will rise to about 12·1 per cent in 1975/76. This estimate covers all short and long-term borrowings by Government (other than those borrowings liquidated overnight), both external and local, but excludes those debt charges which are borne by Government and reimbursed in full by various parastatal bodies, and the rolling over of local Government stock. To hold its public debt liabilities as low as possible, Government will always aim at borrowing on the softest possible terms, and will institute a flexible internal borrowing system by a judicious mix of medium and short-term borrowings. Further, as stated in paragraph 8.46, Government will no longer use contractor finance on any of its new development projects, and this decision will go a long way in mitigating Government's debt-servicing burden in the future.

8.23 Through these various measures, Government will hold the growth of recurrent expenditure to 7·2 per cent per annum, over the period 1971/72 to 1975/76. This ceiling growth rate figure is regarded as sufficient to expand necessary social and economic services, and assumes that waste and extravagance in expenditure are eliminated. Ministerial growth rate ceilings have been established to match the overall ceiling figure. These ceiling figures, which are to be applied annually over the Estimates for 1971/72, are summarised in Table VIII—6.

8.24 The fastest single growing item of recurrent expenditure will b public debt charges (interest and principal). Rapid growth is also forecas in block grants to Local Authorities, largely because of the anticipate deteriorating financial position of the District Administrations resulting from the anticipated growing gap between local revenues and proposed recurren expenditures. Apart from these two items, reasonably rapid growth will b permitted in the major economic and social services Ministries, to correspon to the objectives of the Plan. The allocation of development expenditure fo

Table VIII—6. Plan III—Recurrent Expenditure (Net)—Ministerial Ceilings

(*Shs. million*

Ministry/Vote*	1971/72 Estimates	Ceiling Growth Rate per cent per annum	1975/76 Forecast Out-turn
President and National Assembly	17·0	4·0	19·9
Judiciary	11·6	4·0	13·6
Public Service and Cabinet Affairs	25·7	4·0	30·1
Local Administration§			
Block Grants to Local Administrations	30·9	13·0	50·3
Audit	1·5	3·0	1·7
Foreign Affairs	21·6	4·0	25·3
Attorney-General's Chambers	3·7	4·0	4·3
Finance and Planning	38·6	5·0	46·9
Agriculture and Forestry	61·3	8·0	83·4
Animal Industry, Game and Fisheries	31·8	8·0	43·2
Commerce and Co-operatives Industry Tourism	19·2	6·0	24·2
Mineral and Water Resources	17·2	5·0	20·9
Education	292·8	8·0	398·2
Health	102·7	6·0	129·4
Culture and Community Development	18·1	6·0	22·8
Works and Housing	56·4	8·0	76·7
Power and Communication			
Information and Broadcasting	12·7	5·0	15·4
Labour	3·8	5·0	4·6
Internal Affairs	114·0	7·0	149·3
Defence	145·0	6·0	182·7
Specified Officers Salaries and Allowances‡	4·3	3·0	4·9
Pensions and Gratuities†	38·9	3·0	44·0
Public Debt Charges‖	138·6	11·8	218·2
Contributions to E.A.C.¶	68·2	3·0	77·1
TOTAL	1,275·6	7·2	1,687·1**

*Corresponds to the presnt allocation of Ministerial and Stating responsibilities.

§All recurrent expenditure other than block grants to local authorities.

‡Consolidated Fund Services (CFS) Votes 1 and 2.

†CFS Votes 3, 4 and 5.

‖CFS Vote 6, including contractor piece payments.

¶CFS Vote 7.

**The difference between this figure, and the Plan forecast of (Shs. 1,675 million) of nex recurrent expenditure in 1975/76 is due to rounding.

the Plan will have a varied impact on the growth of recurrent expenditure and as far as possible, this has been allowed for in the Ministerial ceiling growth rate figures specified in Table VIII—6.

8.25 Government consumption on the recurrent account will grow at a rat lower than monetary G.D.P. at current prices. Transfers paid, which cove such items as block grants to the Local Authorities, contributions to the Eas African Community, scholarships, pensions and gratuities, will grow reasonabl slowly, with the important exception of block grants to Local Authorities Appropriations-in-Aid are assumed to grow at the same rate as recurren revenue at existing rates. Both the public debt charges, to which referenc is made in paragraph 8.22, and Appropriations-in-Aid exclude debt charges in respect of loans on-lent to Government corporations.

Table VIII—7. Plan III: Recurrent Expenditure (Net): Economic Classification.

(*Shs. million*

	1971/72	1972/73	1973/74	1974/75	1975/76	Annual Average Growth Rate 1971/72 1975/76
						%
Consumption ..	1,084	1,121	1,220	1,285	1,392	6·4
Transfers paid ..	175	183	193	202	213	5·1
Public Debt Charges ..	139	174	171	214	218	11·8
Less: Appropriations-in-Aid	122	128	134	141	148	5·0
Recurrent Expenditure (net) ..	1,276*	1,350	1,450	1,560	1,675	7·2

* Corresponds to the estimate of recurrent expenditure contained in the 1971/72 Financial Statement but includes in addition contractor finance payments entered on the development expenditure account of the 1971/72 Financial Statement.

III. Financing of Government Expenditure

8.26 *Work for Progress* envisaged two major sources of finance for the Government expenditure programme. First, recurrent revenue was to expand considerably both to finance the growing public services, and to enable a significant recurrent budget surplus to be generated for transfer to the development budget. The second source, which for the development budget was highly significant, was envisaged to be the utilisation of various forms of external assistance. Domestic borrowing was not envisaged as a major source of finance. The out-turn, which is summarised in the case of the development account in Table VIII—8, diverged somewhat from the Plan forecast. By 1970/71, recurrent revenue was less, and recurrent expenditure more, than the Plan had forecast; and Government had borrowed from domestic sources considerably more than had been envisaged. The increase in domestic borrowing was necessary to offset both the shortfall in receipts from external sources and the inability to realise the planned surplus on recurrent account. Generally speaking, the heavy short-term domestic borrowing incurred in the latter years of the Plan financed the excess of development expenditure over the Plan forecast.

Table VIII—8. Financing of Second Five-Year Plan: Development Expenditure.

(*Shs. million*)

Item	Planned	Per cent	Out-turn	Per cent	Out-turn on Plan per cent
INTERNAL	800	44	1,518	72	190
Transfer from recurrent budget ..	500		408		82
Borrowing (long, medium and short term)	200		958		479
Other	100		152		152
EXTERNAL	1,000	56	592	28	59
Borrowing	800		547		68
Grants	200		45		23
TOTAL ..	1,800	100	2,110	100	117

8.27 There were three significant features in the Government financing programme in the Second Five-Year Development Plan: the introduction of a major new tax, sales tax; a large increase, especially in the latter years, of various forms of local borrowing; and, simultaneously, a breakthrough in the utilisation and diversification of external finance. All these factors are, to a certain extent, inter-related, since with less than full financing of the total project costs through foreign loans, Government has to provide counterpart local finance for the increase in the inflow of external finance.

8.28 Sales Tax was introduced in the 1968/69 budget. After some initial difficulties, the economy has adjusted itself to the tax, which is now a major source of revenue for Government. The other major existing taxes imposed by Government have all yielded expanded revenue during the Plan period. This is particularly true of direct taxes, such as income and export taxes. Recurrent revenue grew from Shs. 823 million in 1966/67 to Shs. 1,253 million in 1970/71, an annual average increase of 11 per cent. However, over the Plan period as a whole, revenue collected was in excess of the Plan targets in the first half of the Plan period, but below Plan targets in the second half. This factor was the principal reason behind Government's failure to continue to generate, throughout the Plan period, the large surpluses on recurrent account similar to those achieved in the first three years of the Plan.

8.29 With the establishment, early in the Second Five-Year Development Plan, of the Bank of Uganda, financial and monetary policy was made more flexible than would have been possible under the old East African Currency Board system. Government issued a number of medium and long-term stocks, which were subscribed in full, although a growing proportion of the stocks were held by the Bank of Uganda. The success of this new venture in financing was due in part to a number of institutional changes in the banking system, to the increasing surpluses of Government funds, especially the Social Security Fund, and to the growing willingness of the public to invest in Government securities. In addition, Government short-term borrowing from the Bank of Uganda and the banking system increased dramatically towards the end of the Plan period, to finance the widening gap between expenditure and revenue. Partly as a result of this, money supply expanded at a very fast rate.

8.30 At the outset of the Second Five-Year Development Plan, Government made a great effort to diversify the sources of external official capital and technical assistance. To a very large extent this has now been achieved, and the Third Five-Year Plan opens with an impressively wide range of sources of finance. Government has also used a certain amount of contractor finance for those projects which it regarded as of high priority, and for which no other finance was available. The repayment terms were severe and were aggravated by unusually high project costs.

8.31 Over the Plan III period, Government must finance an expanding expenditure on recurrent account and a growing development budget. The combined recurrent and development budgets will be Shs. 462 million higher in 1975/76 than in 1970/71, the last year of the Second Five-Year Development Plan.

8.32 Government will finance the development expenditure programme by a combination of domestic borrowing, foreign borrowing, and through generating a surplus on the recurrent account. These will be the same components as those envisaged in the Second Plan, although the proportions will differ. The financing programme may be summarised as follows:—

Table VIII—9. Plan III—Financing of Government Development Expenditure.

(*Shs. million*)

	Shs. million	*Per cent*
Total development spending ..	3,200	100
Financed by:		
Surplus on recurrent budget ..	500	16
Borrowing: Total	2,470	77
Local	1,220	(38)
External ..	1,250	(39)
Grants: (External) ..	100	3
Other development revenues ..	130	4

Of total development expenditure, about 40 per cent will be financed externally. This is considerably less than the ratio forecast in *Work for Progress*, but higher than the actual out-turn over the Second Five-Year Plan period. Of total Government expenditure (recurrent and development), of Shs. 10,510 million, about 13 per cent will be financed through external sources.

8.33 The overall Government expenditure programme has been estimated in the light of available resources. The annual budgetary policy will be to ensure that expenditure is strictly matched by available resources. At the time of the budget, an estimate will be made of likely tax revenues, expected receipts from foreign borrowing and anticipated domestic long-term borrowings for the year in question. In particular, efforts will be made to carefully estimate that amount of short-term borrowing consistent with the target growth of money supply. Annual expenditure, both recurrent and development, will be determined accordingly.

A. *Taxation Policy*

8.34 The tax structure of Uganda has a well diversified coverage, and a reasonably well developed administration. Overall, however, it is characterised by heavy dependency on indirect taxes, and on taxes on foreign trade. Five separate taxes, income tax, export tax, customs duties, excise duties and sales tax constitute over 90 per cent of total Government revenue. About half of total tax revenue is derived from taxes imposed on exports and imports, whilst indirect taxes provide 60 per cent of all tax revenue. Although, in recent years, the tax system has been extended to cover new sources of revenue, its basic structure has remained unchanged. There are two critical factors of the tax system illustrated by its structure. The first is that the overall importance of indirect taxes may indicate the extent to which the tax system is regressive. Second, as the value of exports and imports often fluctuate, a significant part of total revenue is therefore unpredictable. A dramatic change in the structure of the tax system is not possible in the short run, but Government policy in Plan III will be increasingly directed towards reducing the extent to which the tax system is regressive, and increasing its overall stability.

8.35 One of the problems of devising a suitable Government expenditure programme is to determine the feasible limit to taxation: a limit not only set by the general public willingness to be taxed, but also by what the economy will bear. Taxation implies a diversion of resources from the private sector to the public sector. However, it is quite possible for Government expenditure to be so high that, in order to finance it, an inordinate amount of resources would need to be transfered from the private sector. This might make it impossible for the private sector to play its full part in the total investment effort, apart from adversely affecting private incentives generally.

8.36 The objectives of taxation policy have been touched upon in various parts of the Development Manifesto. In pursuance of these objectives, Government will pay very special attention to increasing the income elasticity of the tax system and to improving its administration. A universal feature of all economies is that as development takes place, public spending tends to grow at a rate faster than monetary gross domestic product. Therefore, the tax system should be such that it can accommodate this increased public spending. Over Plan III, over Shs. 500 million will be raised through new sources of taxation, the balance of required revenue being derived from built-in increases in existing taxes. The level of additional taxation to be raised is considered to be the maximum feasible level consistent with the observation made in paragraph 8.35 above. The most satisfactory way of raising the new taxation required will be to introduce very moderate measures for increasing tax yields in every year of Plan III, and to allow for natural increases to take effect thereafter. With existing and anticipated new sources of revenue, recurrent revenue will grow by about 7·8 per cent per annum over the Plan III period. In spite of the tax increases that will have to be made during the course of the Plan III period, the overall tax burden on the economy will not increase. Revenue will grow at a rate close to the growth of monetary national income at current prices, and of the overall increase in national income, about 17 per cent will be taken in the form of additional tax revenue.

8.37 In the pursuance of its economic and social objectives, Government will pay very special attention to direct taxes on income. Variations in rates, coverage, and exceptions of income tax, will not only provide revenue, but also, and more importantly, promote Government's other fundamental objectives of policy, notably economic growth, employment generation and a more egalitarian distribution of income.

8.38 The tax system should be relatively easy to administer. In practice this means taxing income, and goods and services, as far as possible, at source. Further, the tax system should be easily understood and the justification for taxes appreciated by the public. There is an acute shortage of properly trained officers for work in the Inland Revenue and Customs and Excise Department, and measures to alleviate this, and thus reduce evasion of payments, will be taken during the Plan period.

8.39 It is estimated that Shs. 500 million will be generated on the recurrent budget for transfer to the development account. This implies that all of the additional taxation to be generated over the Plan period will go for financing development expenditure. The projected surplus on the recurrent account is an ambitious but feasible target, and represents a level similar to that achieved over the last five years. However, the surplus can only be obtained if there is a severe control on the expansion of recurrent expenditure, and if the anticipated increase in recurrent revenue is realised. Moreover, the projections assume an increasing annual surplus over the Plan period, and if this is achieved, the financing of the Fourth Plan will be considerably eased.

B. *Domestic Borrowing*

8.40 Government will continue to borrow, on a medium and long-term basis, from the public. The mechanism for this will be the issue of stocks, under the day to day management of the the Bank of Uganda. It is envisaged that Government controlled Funds, notably the Social Security Fund and the Coffee Price Assistance Fund, will purchase a large portion of the stocks. Other subscribers will include companies, other financial institutions, and individuals. Some part of the stocks issued during the course of the Second Five-Year Development Plan will be redeemable during the Plan III period, but it is assumed that all of this will be rolled over in fresh purchases.

8.41 As stated earlier in this Chapter, the immediate past has seen a rapid increase in the money supply, largely in response to the financing needs of Government. Chapter Three has considered the various constraints to a rapid expansion in the money supply and has indicated a target figure for the growth in money supply over the Plan III period. Government borrowing from the banking system will be strictly subject to the target growth in total money supply. Total domestic borrowing from the banking system and other sources is estimated at Shs. 1,220 million during the Plan III period.

C. *External Borrowing and External Grants*

8.42 The level of external borrowing has been assessed on the basis of likely policies of the major lenders to Uganda. A significant increase is projected in lending by multilateral agencies and by the smaller European countries. Total disbursements from external loans are estimated at Shs. 1,250 million during Plan III, which represents a doubling over the level attained during the Second Five-Year Development Plan.

8.43 There is, however, danger in too great a reliance on external finance, both for political and economic reasons. A diversification of sources is an important ingredient in Uganda's foreign policy of non-alignment. Moreover, the total supply of external finance is limited and has been stagnant in recent years; and there is no certainty about the amounts, terms, or timing of such finance. The Government will continue to welcome official external finance as long as it is offered for priority projects and sectors, on terms and conditions which the Government finds satisfactory, and in a spirit of true partnership.

8.44 The East African Consultative Group, which meets under the aegis of the International Bank for Reconstruction and Development and comprises the three Partner States in the East African Community and representatives of the major lenders of official finance to East Africa, was established in 1968, and has held a number of meetings since then. The Government will work for a strengthening of the Group to make it a more effective mechanism for the administration of loan negotiations and commitments, and as a force for major improvements in the terms and conditions of loans that are offered. In particular, under the auspices of the Consultative Group, attempts will be made to widen the use of "non-project" aid as a way of financing local costs and relieving the foreign exchange position.

8.45 It is well to enumerate briefly the difficulties of utilising external finance. Such finance is usually limited to particular projects which satisfy the criteria set by the lender, which include a required proportion of import content, and which generally necessitate a matching contribution (local costs) from the Government. The Government has improved its capacity and ability for preparing well identified and properly written-up projects, which in the past may have delayed the utilisation of particular loans. The improvements to be made to the machinery of planning, described in Chapter Nine, will undoubtedly increase Government's capacity to commit external loans. Chapter Nine also describes Government's administrative arrangements for the negotiation and disbursement of external loans. On the lenders' side, procedures for project approval could be streamlined, and the expensive time delays reduced. In particular, and through the Consultative Group, an attempt will be made to devise and introduce a set of standard guidelines for use in preparing project requests for external assistance. The guidelines may vary according to sector, but will be common to all members of the Group. Most external finance is "tied" to imports from the lender. This raises the costs of the project, and thus increases the loan, if the "controlled" imports are not from the cheapest international source, and discourages local industry in those cases where Uganda or East Africa can supply the product in question. Further, the full cost of projects is not covered through the loan; often, a significant Government contribution must be made to finance all or a part of "local costs" before the loan may be fully disbursed. Some projects listed in the Plan are not suitable for external financing, or comprise those fields that Government traditionally reserves for itself. For this reason, in spite of the large inflow of external finance forecast in the Plan, local resources will finance well over half of total development expenditures.

8.46 The cost of borrowing must be carefully assessed before entering into any agreement with a prospective lender. This has not always been done, particularly in the case of contractor finance projects. The Government has carefully considered its position on contractor finance, and has decided that there should be no fresh contractor finance commitments in the Plan III period, because of the generally harsh terms of such finance. Existing contractor finance agreements will be honoured. Contractor finance apart, the average repayment terms of development loans have been most reasonable, and the Government will seek to ensure that this situation is maintained and even improved.

8.47 A small amount (Shs. 100 million) of external official grants is forecast for the Plan. As a source of finance, grants have been of marginal significance during the Second Five-Year Plan, and there is unlikely to be any important change during the immediate future. One or two countries and organisations, however, still offer grants to finance particular projects, and this will be welcomed as long as the projects in question are of high priority in the development plan. The mere fact that there are no repayments involved does not mean that grants should always be accepted. There are, almost inevitably, implied recurrent costs, and the Government must ensure that proper value is obtained from the grant.

8.48 Early in the Plan period Government, jointly with the United Nations Development Programme, will prepare a comprehensive programme of financial and technical assistance to be provided by the United Nations and its agencies during Plan III. This new "country programming" approach stems from a desire to co-ordinate, rationalise and programme U.N. assistance to obtain the maximum possible effectiveness. The Government warmly welcomes the principle of this approach, and through the East African Consultative Group, will seek to apply the same principle of forward planning to all sources of external finance.

8.49 The Government will take an aggressive attitude towards the mobilisation of external finance during the Plan III period. All available sources will be employed and utilised. Nevertheless, it is felt that the real key to a higher and more effective use of external finance is through exercising discipline and restraint in Government development policies. Conspicuous consumption and prestigious expenditure will deter potential lenders of development finance. The policies laid out in this Plan, and other evidence that Uganda is actively helping itself, will help to increase the availability of external finance.

D. *Other Sources of Development Revenue*

8.50 In addition to the major sources discussed in preceding paragraphs there is a small amount of miscellaneous revenue for development purposes received on the development account. This consists mainly of reimbursements from Government funds, and the sale of goods and services, to the public. By its very nature, this is a difficult item to project, but a small amount of revenue, totalling Shs. 130 million, is anticipated from this source in the Plan period.

E. *Summary of Financing of Government Expenditure*

8.51 The Government financial account for Plan III is summarised in Table VIII—10, with the forecast out-turn for the last year of the Second Five-Year Development Plan presented for comparison. Over the Plan period, the rapid rise in total expenditure, at an annual average rate (1971/72–1975/76) of 6·0 per cent will be matched by a more rapid growth of revenue, 7·8 per cent, and by considerable local and external borrowing.

Table VIII—10. Government Financial Account: 1970/71, and 1971/72–1975/76

(Shs. million)

	1970/71 Forecast out-turn	1971/72	1972/73	1973/74	1974/75	1975/76	TOTAL Plan III (rounded)
1. Recurrent Expenditure (net)	1,184*	1,276	1,350	1,450	1,560	1,675	7,310
2. Development Expenditure	759	633	570	610	660	730	3,200
TOTAL—EXPENDITURE	1,943	1,909	1,920	2,060	2,220	2,405	10,510
3. Financed by:							
(*a*) Recurrent Revenue	1,253	1,334	1,440	1,560	1,670	1,805	7,810
(*b*) Domestic borrowing—							
(i) Short-term	474	182	50	55	65	70	420
(ii) Medium and long-term		130	140	160	180	190	800
(*c*) External borrowing	167	222	245	240	260	285	1,250
(*d*) External grants	16	16	20	20	20	25	100
(*e*) Other development revenue	33	25	25	25	25	30	130
TOTAL—SOURCES OF FINANCE	1,943	1,909	1,920	2,060	2,220	2,405	10,510

NOTES.—* Includes excess Appropriations-in-Aid.

IV. Capital Expenditure Programmes of Public Corporations

A. *Government Corporations*

8.52 The Development Manifesto and other sections of the Plan document have referred to the strong emphasis Government has placed on the Government corporations to carry out Government policy in their respective areas. The achievement of many of the Plan objectives will depend on the corporations, and their performance, individually and collectively, is therefore of critical importance. The major activities of the various Government corporations are covered in the relevant chapters in Part II of this document. A summary of their capital expenditure programme is presented in this Chapter. However, no estimate is available here on the amount of investment which may be carried out by those companies in which Government is participating jointly with private enterprise.

8.53 There are a number of difficulties in estimating investment by Government corporations. First, a large part of total investment by the corporations is carried out through partially owned associated companies. Second, a part of the development activities of the parastatal sector is in the form of capital lending by the financial corporations, either to other corporations or to the private sector. Since the act of capital transfer does not represent capital formation, such activities should be excluded from the estimate of total investment. Third, a number of corporations—especially those about to be established—are not in a position to forecast with certainty the extent of their investment activities over the Plan III period. As a result of all these problems, the estimate of total investment to be carried out by the corporations is therefore based on a forecast of financial resources likely to be available to the corporations. In this context, the coverage of the target figure should be clearly understood. The target is an estimate of investment by the corporations directly or through their subsidiary or associate companies. The target figure excludes capital lending by the corporations to the private sector or to Government. It is also exclusive of any investment by the private sector in an associated or subsidiary company of a Government corporation. The forecast which has been made, therefore, is not a comprehensive statement of the development activities to be carried out within the parastatal sector.

8.54 The corporations will finance their investment programme from a variety of sources. It is expected that, in total, they will be able to generate Shs. 500 million from their own internal sources. The greater part of this will be generated by Uganda Electricity Board, Uganda Development Corporation and the financial corporations. Government will make available to the corporations a minimum of Shs. 625 million. Of this amount, Shs. 140 million will be on-lent through the Uganda Development Bank in the private sector. The balance, Shs. 485 million, will contribute directly to the financing of capital formation in the parastatal sector. The total of Government contributions includes a plan provision of Shs. 10 million to cover equity and other generalised contributions to the corporations, which will not be tied to specific projects. The projects for which Government financial contributions are intended are described in Chapters Ten to Twenty-one, and are summarised in Appendix I.

The Government contributions to the investment programmes of the corporations will be financed from the development budget, and include those finances which Government is able to secure from external loan funds for on-lending to the corporations. Total resources for Government development expenditure are limited, and corporations will have to compete with each other, and with Ministries, for the available funds. Apart from funds internal to the corporations, and Government's financial contributions, the balance (Shs. 615 million) of the investment programme of Government corporations will be financed by direct external and local borrowing by the corporations. These two sources are estimated to yield Shs. 390 million and Shs. 225 million respectively, over the Plan period.

8.55 On the basis of the definition in paragraph 8.53 above, and the financial estimates in paragraph 8.54 above, Plan III investment by the Government corporations is presented in Table VIII—11. In line with the Plan objectives, the greatest proportion of investment by the Government corporations will be within the productive sectors of the economy. There will also be significant investment expenditure in public utilities.

Table VIII—11. Plan III: Investment by Government Corporations.

	1971/72	1972/73	1973/74	1974/75	1975/76	TOTAL
Investment Target ..	270	290	320	345	375	1,600

8.56 The figures in Table VIII—11 incorporate all the known development projects of existing corporations, and investment by the new corporations which will be established during the course of the Plan period. Although the phasing is somewhat arbitrary, the order of magnitude is clear. The investment envisaged above represents an increase of 100 per cent over the estimated level achieved during the Second Five-Year Plan. The size of the investment effort is significant, and it will require a sustained effort by each and every Government corporation to achieve the target.

8.57 The Government is fully aware of some of the difficulties which, in the past, have faced a number of corporations. The rationalisation of the organisation and responsibilities of the corporations, and the other measures for regulating the activities of the corporations described in Chapter. Nine, will provide a firm basis for the future expansion of the parastatal sector. Government will take a very close interest in the development activities of all corporations, partly because of its vast financial interest in these agencies (as the sole or major shareholder and a creditor of some magnitude), but also because of the critical importance of the corporations in the execution of policy in key areas. Too often in the past, the involvement by Government has been irregular and unsystematic.

8.58 Each corporation will be expected to operate on commercial lines, and to earn a reasonable rate of return on total capital employed. It is impossible to set a hard and fast rule, but taking one year with the next, each corporation will aim to finance a growing part of its expansion programme from its own resources. Government, on its part, will not as a general rule direct corporations to undertake projects which are not viable in the strict commercial sense.

B. *Investment in Uganda by the East African Community and the East African Corporations*

8.59 Investment by the East African Community and corporations in Uganda over the Plan III period is estimated at Shs. 350 million. This will be financed largely by sources internal to the corporations, and the balance by direct borrowing by the corporations. The investment figure is somewhat difficult to forecast largely because the development programmes of the corporations do not coincide with the Government planning period, and as a result the phasing laid out in Table VIII—12 is arbitrary. Fuller details on the various programmes of some of the East African corporations are contained in Chapter Fourteen.

Table VIII—12. Investment in Uganda by E.A. Community and Corporations.

(*Shs. million*)

	1971/72	1972/73	1973/74	1974/75	1975/76	TOTAL
TOTAL	60	65	70	75	80	350

V. Summary of Financial Programmes of Local Authorities

8.60 Full details of the development programmes of the local authorities are not yet available, and consequently no attempt has been made in the Plan to describe in detail the various activities of the authorities. Although a very general summary, in financial terms, is presented here, it should be understood that these figures may be subject to revision at a later date, as part of the regional planning work described in Chapter Nine.

8.61 A number of development projects carried out by the local authorities are extremely beneficial in their impact on the standard of living of the great majority of people in the country. The Government is fully aware of this, and intends to provide, within the limits of its own resources, as much assistance as possible to enable the authorities to consolidate and expand their development activities.

8.62 As a whole, urban authorities are in a stronger financial position than the district administrations. This is mainly a reflection of the wider scope for potential revenue raising resources and better tax administration in urban areas. On the recurrent account, block grants (which bridge the gap between local recurrent revenue and recurrent expenditure) are less significant for urban authorities than for district administrations, and, in fact, urban authorities will be less dependent on block grants at the end of the Plan period than at the beginning, whereas district administrations will be far more dependent. In view of the deteriorating financial situation of the district administrations, improvements will be made to the administration of the districts, new revenue-raising measures will introduced, and the financial responsibilities of district administrations be reviewed. It is estimated that block grants from Government will fina 20 per cent of the total recurrent expenditure of all local authorities togeth

8.63 On the recurrent revenue side, it is estimated that the Authori will raise Shs. 1,500 million (including the block grants from Governme over the Plan III period. The bulk of the revenue for district administrati will continue to come from graduated tax, although the yield from this be a declining proportion of the total, and, for urban authorities, the ma source will continue to be indirect taxes (mainly rates). Recurrent expendit for all Authorities is estimated at a grant total of Shs. 1,435 million for entire Plan III period. This will leave about Shs. 65 million available on recurrent budget for transfer to development spending.

8.64 The real limiting factor on the expansion of the developm programmes of the local authorities is lack of finance. The Local Authori Loan Fund, set up by the Government to help the Local Authorities w their development projects, will therefore be augmented by Shs. 115 mill directly from the development budget of Government. This amount is m up of Shs. 35 million for the improvement of the road network in cert urban areas (*see* Chapter Fourteen); Shs. 20 million for the development site and service housing schemes in urban areas (*see* Chapter Nineteen) a Shs. 60 million (*see* Chapter Seven) for unspecified high priority developm activities, particularly by District Administrations. All loans made from the Lo Authorities Loan Fund revert to it, and Shs. 70 million will be available re-lending from the Fund on the basis of repayments of past loans. Ot development revenues, including the drawing down of various funds will fina a further Shs. 50 million, and, as stated in paragraph 8.63, Shs. 65 million be available from the recurrent budget for development spending. Shs. 50 mill will be borrowed on the open market by those Authorities, mainly Kampala C Council, which are considered to be capable of servicing such borrowi satisfactorily.

8.65 On the basis of this forecast of available financial resources, t investment by the Local Authorities over the Plan III period is estima at Shs. 350 million. Of this amount, rather less than half will be carr out by the District Administrations, and the balance by the Urban Authorit largely on account of the Kampala City Council.

Table VIII—13. Plan III: Development Expenditure by Local Authorities.

(Shs. mill

	1971/72	1972/73	1973/74	1974/75	1975/76	TOTA
TOTAL	60	65	70	75	80	350

Table VIII—14. Plan III: Public Sector—Development Expenditure and Investment

(*Shs. million*)

	1971/72	1972/73	1973/74	1974/75	1975/76	TOTAL
1. Government Development Expenditure	633	570	610	660	730	3,200
2. Government Investment*	325	260	315	335	365	1,600
3. Government Corporations—Investment ..	270	290	320	345	375	1,600
4. East African Corporations—Investment ..	60	65	70	75	80	350
5. Local Authorities—Investment	60	65	70	75	80	350
TOTAL—GROSS PUBLIC SECTOR DEVELOPMENT EXPENDITURE† (lines 1, 3, 4, 5) ..	1,023	990	1,070	1,155	1,265	5,500
PUBLIC SECTOR INVESTMENT (lines 2, 3, 4, 5) ..	715	680	775	830	900	3,900

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* Net of transfers to Local Investment Fund (L.I.F.) Shs. 625 million, and to Local Authorities Loan Fund (L.A.L.F.), Shs. 115 million, and other development expenditure not constituting direct capital formation. The estimate is also exclusive of capital formation resulting from Government recurrent expenditure.

† Defined as Government development expenditure and investment by the Government Corporations, East African Community Corporations and local authorities, and include intra-sector flows from Government to Government Corporations and local authorities.

Table VIII—15. Plan III: Financing of Public Sector Development Expenditure

(*Shs. million*)

	Government	Government Corporations Investment	East African Community Corporation Investment	Local Authority Investment	TOTAL
GROSS PUBLIC SECTOR DEVELOPMENT EXPENDITURE	3,200	1,600	350	350	5,500
FINANCED BY:					
Local Sources	1,850	725	150	235	2,960
—Transfer from Recurrent Budget	500	—	—	65	565
—Borrowing	1,220	225	25	50	1,520
—Other sources	130	500	125	120	875
External Sources	1,350	390	200	—	1,940
—Borrowing	1,250	390	200	—	1,840
—Grants	100	—	—	—	100
Transfer from Government	—	485†	—	115	600
GROSS FINANCIAL RESOURCES AVAILABLE FOR PUBLIC SECTOR DEVELOPMENT EXPENDITURE ..	3,200	1,600	350	350	5,500
Less: Intra-sector transfers paid	600	—	—	—	600
NET FINANCIAL RESOURCES AVAILABLE FOR PUBLIC SECTOR DEVELOPMENT EXPENDITURE ..	2,600	1,600	350	350	4,900

* Other Sources: for Government and East African Community Corporations: sources internal to the Corporations.
: for Local Authorities: drawing down of funds, and repayment of past L.A.L.F. loans.

† Total Government transfers to Government Corporations is estimated at Shs. 625 million. This amount includes however contributions of Shs. 140 million to the Uganda Development Bank, which will be on-lent to the private sector and will not, therefore, contribute to financing fixed capital formation in the public sector.

VI. Amalgamated Public Sector Programme

8.66 Plan III development spending by Government, Government corporations, East African Community corporations, and Local Authorities is estimated at Shs. 5,500 million. This is 80 per cent higher than that estimated for development spending by the public sector in the Second Five-Year Plan. Plan III investment by the public sector in fixed capital assets is estimated at Shs. 3,900 million. The phasing of the spending programme is presented in Table VIII—14.

8.67 The gross total of public sector development expenditure is Shs. 5,500 million. As a result of intra-sector transfers from Government, the total level of financial resources required to finance the expenditure programme is Shs. 4,900 million, and the financing programme is summarised in Table VIII—15. A major effort in the mobilisation of resources will be required to achieve the ambitious target of development spending. The difficulties of securing the right amount of suitable resources are not minimised, but Government is convinced that the programme envisaged is feasible. Sacrifices and understanding from the general public, and significant borrowing from abroad, will be critical in the achievement of the programme. The ultimate objective is, of course, to rely as much as possible on domestic savings, and the projections shown in Table VIII—15 indicate that about 55 per cent of total development spending of the public sector will be financed from local sources, a higher proportion than that estimated for the Second Plan.

8.68 The only Government development project specifically described and covered in this Chapter (*see* paragraph 8.54) is the following:—

Project Code Number	Programme/Project Title	Implementing Agency*	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	PROGRAMME: UNTIED PROJECT ALLOCATIONS TO GOVERNMENT CORPORATIONS		10·0	10·0
8·1	Untied Project Allocations to Government Corporations	MFP	10·0	10·0

Note: * MFP—Ministry of Finance and Planning.

Chapter Nine

THE FUNCTIONS AND MACHINERY OF PLANNING

I. The Functions of Planning

9.1 The preparation of this Plan document is only one stage in the overall planning process. While it is a complex task to make sound development proposals, it is much more difficult to see that these proposals are effectively implemented, and that the desired objectives are achieved. The extent to which a plan can be put into practice depends, in part of course, upon the realism and consistency of the objectives which are set, and of the means proposed to achieve these aims. If plan targets are excessively optimistic or clearly in contradiction to one another, it is not surprising when these targets are not fulfilled. The emphasis throughout this Plan document has been on realism and on avoiding setting unattainable goals which raise false hopes and expectations. This is not to say that the Plan targets are not ambitious; they are in that a substantial and sustained sacrifice and effort will be required in their achievement. In this sense, a major requirement is Government and public support for the objectives of the Plan. A Plan cannot be implemented unless the Government provides the lead, and the public understand and appreciate what is required of them. Development requires sacrifice in greater or lesser degree that all sections of the population must make so that the standard of living improves for all later. A number of unpleasant decisions will have to be taken during the course of the next few years so that plan objectives may be achieved.

9.2 Planning as a technique for promoting the development of the economy is relatively new in Uganda, and it is not unexpected that there have been a number of difficulties associated with designing and using an efficient planning machinery. These difficulties stem in part from technical considerations affecting the quality of the planning exercise, which are the main concern of the second part of this Chapter. They also arise in part from factors influencing Government's commitment to Plan, and though this Chapter is primarily concerned with those measures which will be taken to improve planning techniques, it must be stressed that a Plan cannot be implemented without a full commitment to its objectives and proposals from Government as much as from the public. These obstacles arose when implementing the Second Five-Year Development Plan. Often, adequate inter-ministerial co-ordination prior to a major decision by Government was lacking. The wider implications of particular proposals were not properly assessed before new policies were pronounced, and then implemented. The political will to "plan" was sparse, and the influence and therefore the effectiveness of the central planning agency was minimal.

9.3 Given a realistic and consistent plan, and the determined will for its fulfilment, the machinery for plan implementation is of paramount importance. The rationale of planning in Uganda is to ensure that feasible and consistent national economic and social development goals are clearly formulated, and that scarce resources of all kinds are allocated so that these objectives may be achieved. This Plan document, and in particular the Development Manifesto, is designed to set forth clearly Government's major development objectives. It also contains the medium-term framework of policies and project proposals upon whose implementation achievement of the Plan targets depends. Within this context, Plan implementation centres around the following broad tasks:—

(i) An overall view of Government's economic and social policies to ensure consistency with development priorities and with the most efficient allocation of resources. Occasionally, different policy and programme proposals may be in conflict with one another, or indeed with the objectives of the Plan. Individual Ministries, after all, are primarily interested in the promotion of their own views and proposals, and they are not likely to be fully aware of the implications in areas of policy they are not concerned with. The rather delicate task of the central planning agency is to analyse, appraise and advise on development proposals taking a broader and more global view than the individual Government agencies from which the proposals originate.

(ii) Further, in an economy like Uganda's which is subject to short run changes and fluctuations, planning involves a constant examination and appraisal of the prevailing economic situation, so that policies may be changed in the short run if this is both possible and desirable. This is particularly true in the case of the external sector whose performance and fluctuations will continue to affect Uganda's domestic economy for some time to come. These fluctuations also render forecasting and predictions subject to wide margins of error and uncertainty. It is, therefore, essential to carry out frequent reviews of Plan forecasts and projections and to revise them as necessary.

(iii) Taking into account (i) and (ii) above, ensuring that Plan policies and projects are effectively implemented. In particular this involves the identification and preparation of projects designed to remove specific resource bottlenecks.

9.4 In the past, various technical difficulties have limited the extent to which it has been possible to effectively implement these tasks. One of these is the comprehensiveness of the planning exercise. *Work for Progress,* did not, and to a certain extent the present Plan does not, cover adequately the various economic activities of the parastatal and private sectors. Part II of this Plan contains considerable information on Government and certain information on the parastatal bodies, but virtually nothing on the investment activities of the private sector. To a considerable extent, this problem is compounded by the paucity of statistical data available on these areas of activity. Nevertheless, there is a pressing need to extend the scope of the planning exercise to ensure that the entirety of national resources are directed towards the goals of development.

9.5 There is scope, however, not only for extension of the areas where planning is effective, but also for improvement and consolidation of the existing planning machinery. Experience in this field since Independence has not been wasted. Various extensions of and improvements in the planning machinery were made during the Second Five-Year Development Plan as a result of our experience with the First Plan. Similarly, proposals are made in the second section of this Chapter for further changes, whose necessity has been identified as a result of our experience during the past five years. The specific areas to which these proposals relate are: the responsibilities of the Standing Planning Committee of Cabinet; the Ministerial Planning Units; project administration; the introduction of the Annual Plan; regional planning; the operation of the Government Corporations; and certain planning issues with the East African Community.

II. The Machinery of Planning

A. *The Standing Planning Committee of Cabinet*

9.6 A Standing Planning Committee of Cabinet has been set up to operate as the final authority in the institutional framework for planning, subject to the ultimate direction of Cabinet. The Committee, which is chaired by the Minister responsible for Planning, consists of those Ministers most directly concerned with economic and social affairs, and it has replaced the Uganda Planning Commission. The Standing Planning Committee of Cabinet concerns itself with the following areas of Government economic policy:—

(i) the preparation, approval, publication and popularisation of long-term, medium-term and annual national plans;

(ii) the broad sectoral allocation of Government development expenditure each financial year;

(iii) the appraisal and approval of all Government projects before eventual inclusion in the Annual Plan and Development Estimates;

(iv) the utilisation and allocation to projects of official external finance including that finance on-lent to the Government Corporations;

(v) the mobilisation and administration of external technical assistance to Government;

(vi) the analysis and assessment of particular Government programmes, activities and policies in fields related to the achievement of the objectives of national development plans;

(vii) the approval of the annual investment programmes of the Government Corporations;

(viii) the approval of all major projects, including the expansion of existing projects, to be undertaken by the Government Corporations;

(ix) the preparation, approval and review of Regional Plans;

(x) the broad allocation of funds to Local Authorities;

(xi) manpower planning, including the establishment each year of intake levels to education institutions providing high-level manpower;

(xii) the formulation and execution of economic statistical surveys and other economic studies, including all major feasibility studies undertaken by or for the public sector;

(xiii) a continuing review of the machinery for the implementation of the Plan;

(xiv) regular reviews of the performance and prospects of the economy.

A number of the responsibilities of the Standing Planning Committee are in practice delegated to the chairman of the committee, who is therefore empowered to take decisions on a wide range of issues without reference to the Committee.

B. *The Establishment of Ministerial Planning Units*

9.7 A crucial task in the whole planning process is the establishment and consolidation of Ministerial Planning Units. The rationale behind their establishment is to decentralise the examination of current developments in each of the economic and social sectors where Government is a major spender; to improve the identification of strategies for sectoral development; and to improve the preparation of individual project proposals at the point of identification. In the past, a major problem has been the major deficiencies in the conception of projects and in their detailed preparation, design and costing. There has also been no real allocation of priorities to projects within the same sector.

9.8 During the Second Five-Year Development Plan, the planning units in the then Ministry of Agriculture, Forestry and Co-operatives, and the Ministry of Education were established and became fully operative; a unit was set up in the then Ministry of Works, Communications and Housing; and steps were taken to create units in the Ministries of Health and Animal Industry, Game and Fisheries. An Economic Advisory Unit was established in the then Ministry of Finance. The success of the units established in overcoming the difficulties enumerated in the previous paragraph has been limited, largely because of the shortage of qualified personnel. There have also been difficulties associated with the status of particular units within their Ministries. Nevertheless, the limited experience gained so far indicates that planning units have an important and constructive role to play. In the course of Plan III, the planning units in the Ministries of Education, Agriculture and Forestry and Works and Housing, are to be strengthened, while the units in the Ministries of Health and Animal Industry, Game and Fisheries will become fully established. An Economic Advisory Unit will be established in the Ministries of Commerce and Co-operatives Industry, and Power and Communications. An important condition for the success of the planning units will be the extent to which effective co-ordination with the Ministry of Finance and Planning is achieved. To facilitate this co-ordination, consideration will be given to seconding economists from the Ministry of Finance and Planning to work in the Planning Units. A considerable amount of technical assistance will be required in all these units, at least for the first part of the Plan III period.

9.9 The Government envisages that the duties and functions of each planning unit will be the following, subject of course to the special interests of the Ministry in which a particular unit is operating:—

(i) the formulation of development policies relevant to the sector;

(ii) the establishment and recommendation to the Ministry of Finance and Planning of priorities for allocation of resources within the sector, and of the regional distribution of these resources;

(iii) The detailed preparation and design of projects for submission to the Ministry of Finance and Planning including any necessary pre-investment studies;

(iv) the detailed preparation of the annual development estimates for submission to the Ministry of Finance and Planning;

(v) the establishment and operation of an efficient reporting scheme on the progress of the implementation of all projects within the sector, in conjunction with the Ministry of Finance and Planning;

(vi) the evaluation of completed projects;

(vii) the integration and co-ordination of the development proposals in the relevant parastatal organisations into the overall sector programme;

(viii) the compilation and distribution of statistical data relevant to the sector in conjunction with the Statistics Division of the Ministry of Finance and Planning;

(xi) the identification and, where possible, the execution of research projects relevant to the sector, in conjunction with the National Research Council.

C. *Project Administration*

9.10 The area of project administration plays a critical role in the whole planning exercise, as many of the Plan objectives can only be achieved by implementing "projects". "Project administration" may be understood to refer to two distinct stages. The first is that of project preparation, covering the initial identification of the project in relation to an explicit target, and its full description and economic and technical appraisal, up to the stage of readiness for implementation. The second stage is that of implementation itself, that is when the capital/development expenditure associated with the project is incurred. For major projects, once they are implemented, it is also important to review their operation, examining in particular the extent to which expected benefits have been achieved. In several instances, a number of projects will not need to pass through the preparatory stages. Such projects will normally represent continuing Government programmes—such as borehole construction or bush clearing operations—although it will be necessary to keep a careful watch on the viability and benefits to be derived from a continuation of such programmes.

9.11 To prepare a project to the stage where it may be implemented is a lengthy but essential process. In many instances, except for small and simple projects, it will be necessary to carry out a full scale economic and technical analysis of the feasibility of the scheme. In essence, this involves defining clearly the objectives to be achieved, and designing the project to maximise the extent to which these objectives are achieved in relation to costs. First, study is necessary of the objectives the project is intended to achieve. This would cover, for example, the relationship between the project, the development of the sector, and the wider objectives of the Plan. It may then be necessary to examine how best, out of a range of alternative methods, these objectives may be attained. The next stage in the economic analysis would be a cost-benefit study of one or more of the alternatives that have been selected, and a full investigation of their technical aspects.

9.12 All the projects contained in this Plan have been approved in principle by the Standing Planning Committee of Cabinet. In many cases, however, further preparation and appraisal work will be necessary before projects are ready for implementation. If, as a result of this detailed analysis, the conception or cost of an individual project changes substantially, it will be submitted for re-approval by the Standing Planning Committee. Any new projects which are identified in the course of implementing this Plan will require the approval of the Standing Planning Committee of Cabinet before they are carried out. Such approval will be based upon an appropriate technical and economic feasibility study.

9.13 Most of the feasibility work on projects will be carried out by Government, to an increasing extent within the Ministerial Planning Units, who will be responsible for collecting data and carrying out much of the analysis required. The Ministry of Finance and Planning is to issue detailed project appraisal guidelines to the Planning Units so that a standardised approach to project appraisal is adopted. This exercise is to be co-ordinated with the proposals for standardising project descriptions submitted to aid donors described in Chapter Eight. In addition, training programmes in the field of project appraisal and analysis will be carried out by Government for personnel concerned in this work.

9.14 In the past, a certain amount of project analysis has been carried out by consultants. There have, however, been a few instances where the advice obtained from consultants—even after considerable expense to Government—has not been of much value. To guard against this in future, and to build a reservoir of knowledge about consultancy work and consulting firms, the programme of pre-investment studies will be centralised. Henceforth, all such studies of a cost greater than Shs. 150,000 will be approved by the Standing Planning Committee of Cabinet irrespective of the source of finance for the study. The commissioning of consultants will be handled by the Ministry of Finance and Planning, and Shs. 20 million, excluding the cost of any studies financed under technical assistance arrangements, is allocated for this purpose. This allocation, and the procedures for approval for commissioning studies which has just been outlined, applies to all general economic studies as well as to studies related to specific projects. As the measures outlined in the previous paragraph become effective, and as Government's capacity to carry out all kinds of economic studies increases, the need to employ outside consultants is expected to decline.

9.15 In the great majority of projects, physical construction of one kind and another is a central part of the project, and the design of the construction and the preparation of the relevant tender and contract documents is as much a part of project preparation as the economic and technical analysis. For Government, the detailed engineering and design work of development projects is the responsibility of the Ministry of Works and Housing, and appropriate measures are being taken to expand the capacity of the Ministry in this respect. When the final drawings are ready, tender documents are prepared (except for those projects which will be undertaken directly by the Ministry of Works and Housing). Next, subject to explicit Treasury approval based upon the availability of funds over the period in which expenditure on the project is to be incurred, bids are invited from suitably qualified contractors. The Central Tender Board, which is responsible for the administration of tender documents, consideration of the various bids, and recommendation of the award, is part of the Ministry of Finance and Planning. A very careful analysis and assessment of the bids is made, in all the economic financial and technical aspects, before final recommendation is made. The operation and responsibilities of the Central Tender Board will be such as [illegible] ensure the maximum contribution of tendering procedures to the preparation and implementation of projects.

9.16 When the tendering procedure is completed and the contract is awarded, an entry relating to anticipated expenditure in the current financial year in respect of the project is made in the development estimates. This is done either through the annual estimates discussion, or through a supplementary vote, and the Ministry concerned will be authorised to incur expenditure. During the period of implementation of the project, that is when construction work is undertaken, or when the objectives of the project are substantially realised, a project progress reporting scheme will be used. The purpose of this will be to monitor the speed at which the project is carried out, to collect and analyse information in the progress of implementation and to enable appropriate remedial action to be taken in case of difficulties arising during the implementation period. An attempt was made during the Scond Five-Year Development Plan to introduce a project reporting scheme. For one reason or another, the scheme never really became operative. Hence, it is difficult, if not impossible, to speak other than in general terms about the performance and progress of particular projects, even those in the public sector. A determined effort will therefore be made right at the beginning of Plan III to devise and introduce an effective and reliable project reporting scheme. In the first instance, all Ministries will be covered, and this task will be one of the prime duties of the Ministerial Planning Units mentioned above. Next, the parastatal organisations will be included, and finally, at a later date, projects carried out by the Local Authorities and smaller units will be included. In the project reporting scheme particular attention will be devoted to checking the bottlenecks to the implementation of projects.

9.17 When the project is implemented, it will be necessary to maintain a constant check on whether the intended objectives are being realised, and to evaluate generally the benefits of the project. The primary responsibility for this will rest with the Ministerial Planning Units, and special attention will be paid to incorporating lessons that have been obtained into the project identification and preparation stage outlined above.

D. *Annual Plans and Budgeting*

9.18 In an attempt to increase the operational value of the national planning exercise, it is proposed to supplement this Plan document by the publication, each financial year, of an Annual Plan. The need for flexibility in planning has already been mentioned, and is envisaged that the Annual Plans will provide the vehicle for the constant revision of plan targets and proposals in the light of an assessment of current developments and of a forecast of economic developments in the future. They will also contain a year-to-year assessment of the progress in plan implementation in terms of progress towards the main quantitative goals, and will relate policy measures in all relevant fields to the over-riding objectives of the Plan.

9.19 A major part of the annual planning exercise will be carried out through the preparation of the budget, in particular the development expenditure estimates discussions and analysis. In the first instance, every effort will be made to ensure that the budget estimates correspond to the Plan objectives, priorities and allocations. Projects defined in the Plan do not always correspond to the various entries made in the estimates of development expenditure. To facilitate comparison between the Plan and the estimates, the Plan III project code number (*see* Appendix I) will also appear against the various entries in the estimates. The present form of the development estimates is to be transformed, providing for greater information on the activities and programmes of each Ministry. Steps are now under way to introduce the planning and programming budgeting system for the development budget, and the revised presentation will aid comparison between the Plan and the development estimates. The annual publications of the development estimates will constitute the official statement of development expenditure for the year in question. These estimates will also appear in the Annual Plan—possibly with a forecast of expenditure for the following year—and will appear in a form which permits easy identification of the extent to which annual development expenditure proposals conform with the Plan.

E. *Aid Administration*

9.20 In the past, there have been some difficulties experienced within Government regarding the proper procedures to be adopted in securing and utilising external assistance. The issues are partly administrative and partly technical, and the following guide is intended to establish the correct procedure for the future. Any Ministry, in consultation with the Ministry of Finance and Planning, may initiate and hold informal discussions with the representatives of any foreign country or organisation proposing or being requested to lend or grant money for development purposes. Such discussions will not constitute a formal request for assistance. When the project or projects in question have been substantially identified and appraised, and technical issues ironed out with the prospective lender, then an approach through the Ministry of Finance and Planning will be made to the Standing Planning Committee of Cabinet requesting approval for the project and the financing proposed. On the basis of the approval of the Standing Planning Committee, a formal request will be made by the Ministry of Finance and Planning to the country or organisation concerned. This procedure will henceforth cover all projects in the entire public sector financed in whole or in part through external loans or grants, including those projects which are financed by external loans on-lent by Government. The same procedure will apply when substantial modifications are proposed in any previously determined allocation of official external financial assistance.

9.21 Apart from the preparation and approval of projects financed through external loans, there have also been certain difficulties associated with the implementation of such projects, and the actual drawing down of the loan. When the problem is largely of a technical nature, it will be the responsibility of the executive Ministry to deal with it. If the problem concerns disbursement, or matters of financial control, then the Ministry of Finance and Planning will handle the situation. In this process of implementation, the Ministry of Finance and Planning will exercise watchfulness over all the problems that are likely to arise. This responsibility is carried out through the Aid Co-ordinating Committee. The Committee, which has representatives, from the Ministry of Foreign Affairs, and the Bank of Uganda, is the main vehicle for co-ordinating Government's administrative procedures for the utilisation of external assistance, and seeks to ensure that there is no delay in committing and disbursing this assistance.

F. *Technical Assistance Planning*

9.22 Chapter Six identifies the need for manpower planning to provide the skills necessary for economic growth, and to allow Ugandanisation to proceed in an orderly and rapid fashion. The use of foreign personnel is a short-term expedient to temporarily overcome crucial skill bottlenecks. The measures to ensure that Ugandanisation proceeds as rapidly as possible in the private sector are described in Chapter Six. Within the public sector, the main source of foreign personnel is technical assistance from foreign governments and agencies. An inter-Ministerial Committee, known as the Technical Assistance Committee, is responsible for relating technical assistance offers to Government's manpower needs, and to progress in Ugandanisation and training. Its specific functions are:—

(i) to review the general application of technical assistance in relation to the Plan and manpower needs;

(ii) to continually appraise and co-ordinate specific bids made by Ministries for technical assistance personnel; and

(iii) to relate technical assistance with established posts, with emphasis on the appointment of counterpart officers.

9.23 Early in the Plan, the Ministry of Finance and Planning, which services the Technical Assistance Committee, will carry out a full review of the present level of technical assistance in the country, and of its distribution by source and by field of activity in Uganda. The review will also include an examination of the various terms on which technical assistance personnel serve, with a view to their rationalisation. Further, it will appraise the cost to Uganda of technical assistance, as well as examine the quality and effectiveness of technical assistance received in the past. This exercise will form the basis for more effective utilisation of technical assistance in the future, and for the continuing operations of the Technical Assistance Committee.

G. *Regional Planning*

9.24 Although all national development planning documents in Uganda, from the very earliest ones, have contained references to the need for regional planning in one form or another, the emphasis in plan formulation, implementation and evaluation has always been on the macro-economic and sectoral approach to development. Inadequate attention to the regional aspect of overall development has led to the almost total dichotomy between physical and economic planning, to the lack of a properly integrated strategy in rural development work, and to the absence of an effective machinery for regional planning. Steps are already being taken to accord regional planning its true role in the national development strategy. This role, in its essence, is to provide a practical methodological and organisational framework within which to pursue the various objectives and policies outlined in Chapter Seven, and to enable the active involvement of local communities in the planning of the nation's development. The main functions of regional planning, as conceived in Uganda, are therefore four :—

(i) the continual analysis of the regional implications of overall development;

(ii) the definition of criteria for the regional allocation of the national development effort and the benefits thereof;

(iii) the preparation of comprehensive and sectoral plans for particular regions of the country as an integrative function of the overall planning process; and

(iv) the co-ordination within each regional area of all Government and Local Administration projects, and of urban and rural development.

In the following paragraphs, a brief description is given of the main specific tasks involved in these functions and of the institutional arrangements which have been or are to be established for their performance.

9.25 The very first requirement of this endeavour is to put together a reliable basis of factual knowledge on the present state of development in the various regions of the country. This task has been the main pre-occupation of all regional planning activities in the country during the last few years. A bank of preliminary quantitative indices of the more important aspects of the development of all districts has now been set up. The exercise has been carried out alongside a complete assessment of the regional impact of certain sectoral programmes executed during the Second Five-Year Development Plan.

9.26 The purpose of data collection and analysis of this kind is not only to make us more fully aware of the magnitude of disparities in the development of the various regions of the country, but also to yield concrete guidelines for the future distribution of effort in the promotion of balanced development. Inevitably, many of the guidelines will always be qualitative and tentative in nature. As our factual information grows, however, it will be possible to elaborate quantitative criteria for the allocation of resources among regions. The formulation of such indicators applicable to an ever widening range of policy decisions is to be a basic continuing task in regional planning. The most important resource allocation exercises into which quantitative distributiona criteria are to be introduced with some urgency are Government annua budgeting and medium-term national development planning, especially those aspects relating to the provision of social services. It is intended that Government Budgets and Development Plans should, in the future, be much more explicit on the regional impact of their contents.

9.27 Attempts to evolve District Plans have been made on several occasions in the past. In the formulation of both the Second Five-Year Developmen Plan and this Plan, District Administrations were required to prepare development proposals for their respective districts for incorporation into the nationa plan. Despite extensive efforts to assist the District Administrations in this exercise, the results have not been very successful, with the result that, in the preparation of national development plans, only token account has been taken of proposals originating at the district level. Nevertheless, these pas attempts at district planning have been immensely educative for both th Government agencies involved and the planning organs in the districts. The two main difficulties have been the shortage of competent staff and the lac of a sufficiently articulate appreciation of the appropriate nature and scope of District Plans. It is on the relief of these two particular problems tha District planning efforts are to be concentrated during Plan III.

9.28 Early in the Plan, a new and more systematic attempt will be made to draw up District Plans. As conceived at present, these will be comprehensive economic and social development plans based on a thorough appraisal of each district's problems and potential, and incorporating the elements of a physical land utilisation plan for the district as a whole. Each District Plan is intended to identify definite development programmes, in all sectors, to be undertaken by the Government, the Local Authorities, public corporations, and other agents. It will also contain realistic schemes for the mobilisation o human and financial resources for the implementation of the programmes. Fo each district, the Plan will indicate the detailed arrangements for an integrate rural development programme, and the desired pattern of urban development Medium-term development expenditure proposals will be a central elemen of the District Plans, but they will, in the future, be more specifically relate to the overall perspective of the resources and development needs of th various districts, and they will be complemented by a fairly detailed statemen of Government development expenditure proposals for the respective districts.

9.29 In the compilation of district indices of development and th evaluation of the implementation of the Second Five-Year Development Pla considerable work has also been done to assess the development potential the various districts. However, a lot more investigations of a techno-econom nature will be necessary in the formulation of District Plans. The investigations will cover, for each district, a comprehensive inventory natural, human and financial resources; an evaluation of the existing soci and economic infrastructures; and identification of the main institution obstacles to development. Intra-district variations will be approximately hig lighted. It is on the basis of such detailed studies that specific proposa for each District Plan will be worked out and mutually reconciled.

9.30 In view of the huge size of the task proposed, Government intends tackle it in a phased manner. In the first instance, therefore, District Plans are be prepared in respect of only selected regions of the country. These regions being selected partly on the basis of the unique development problems they p and partly on the basis of their representativeness of the various problems inhere in the promotion of regional development. Depending on the staff positi it is intended that by the beginning of the next Plan period, detailed distr planning will have been extended to cover the entire country. The grad approach is not dictated by considerations of staff alone. It is also desig to enable the acquisition of better understanding of the problems and t scope of the exercise so that, at each successive stage, the necess modifications in concept and procedure are introduced. One of the ar selected for priority planning is North and South Karamoja, where fa intensive investigations have already been carried out and concrete proje along the lines indicated in Chapter Seven, are under detailed considerati

9.31 Districts are adopted as convenient units for local planning sim because they represent well-established administrative entities with fa distinctive social and economic characteristics. However, it is not inten that the formulation of District Plans will preclude consideration of the varying needs of different counties within each district, nor the preparation of sub-national plans based on ecological regions or other "regions" which present special development problems or potential. Examples of the latter type of regions for which special development plans are to be drawn up are South Busoga and all other areas to be cleared of the tsetse fly. Care will be taken to ensure that any local plans of this nature are properly harmonised with the relevant District Plans.

9.32 Quite apart from the preparation of District Plans and the analytical work which this specifically entails, there will be other steps taken to improve planning activities in all districts in the country. The planned integration of rural development work which is described in Chapter Seven will involve, among other things, the co-ordination of inter-departmental operations at district and sub-district levels and the active participation of local planning organs in this co-ordination. Another important area where improvements are to be effected is local authorities' budgeting. In this connection, efforts will be directed partly at improving the techniques of forecasting local revenues and expenditures, and partly at relating local budgets more closely to district development plans, where these exist. Corresponding to this action at the local level, steps will be taken to "regionalise" Government's own budget (especially the the Development Expenditure Estimates), as one aspect of the annual planning exercise. Such "regionalisation" would enable the budgests at the two levels of Government to complement each other in a more deliberate way. It would also then be possible to assess in one place the full impact of total public expenditure for particular districts. In order to facilitate complementarity between Government and local budgets even more, the possibility of introducing uniform fiscal years is being explored.

9.33 The current and anticipated rapid rate of urbanisation requires increasing attention to be paid to the problems of urban planning. Formal town planning in Uganda dates as far back as 1913, when the first land-use plan was drawn up for Kampala. A major landmark was the establishment of the Town and Regional Planning Department and Town and Country Planning Board (both of them now under the Ministry of Local Administrations) whose main responsibility was to prepare Master Plans and "outline schemes" for designated urban "planning areas". By the end of 1965, Master Plans have been prepared for Kampala and Jinja, and "outline schemes" for 21 other towns were in existence. These earlier town plans were rather limited in conception, consisting, for the most part, of simple projections of land requirements together with zoning proposals, and bearing no conscious relationship with National Development Plans. In order to relate town planning more closely to the wider problems of urbanisation, major surveys of the Kampala/Mengo and Jinja/Bugembe regions were carried out in the late 1960's. These studies have provided the basis for more detailed planning of the two major metropolitan areas, in their regional context. A new comprehensive Master Plan has now been drawn up for the development of the Greater Kampala area up to the year 2000, and a similar Plan is being prepared for Jinja. These Master Plans also incorporate the recommendations of the recent detailed assessment of the long-run transport requirements of the two urban areas. All present "outline schemes" for the smaller towns are being revised to make them more comprehensive and to take account of the very rapid growth of these towns, and similar schemes are being prepared by the Town and Regional Planning Department for all other designated "planning areas". Related to this programme, steps will be taken to rationalise the official schedule of towns in order to make it reflect population sizes more accurately.

9.34 Further efforts will be made to ensure closer correspondence between town planning activities, on one hand, and district and national planning, on the other, particularly with regard to assumptions on the growth and distribution of resources and economic activities. In the future, the physical development plans of the towns are to be subject to greater economic scrutiny than hitherto, and will be more fully incorporated into the financing framework of the national development plans.

9.35 The elements of an institutional machinery for the performance of the various regional planning tasks already exist in Uganda, and Government's intentions are to strengthen the present machinery rather than set up an entirely new one. Mid-way through the Second Five-Year Development Plan, a Regional Planning Section was established in the then Ministry of Planning and Economic Development. The responsibilities of this section are to formulate regional development strategies and policies and to co-ordinate regional planning activities at all levels. Up to now, the work of the section has been largely confined to the conduct of the detailed regional analysis referred to in paragraph 9.25 above. This work will continue until the whole country has been covered adequately. The section will also expand the amount of technical assistance it gives to local planning bodies throughout the country. For the immediate future, the section will concentrate its attention mainly on the preparation of District Plans and the elaboration of criteria (discussed in Chapter Seven) for the regional allocation of economic and social services. Within the central Government structure, the other agency intimately involved in regional planning is the Ministry of Local Administrations which has special administrative and financial responsibilities over all local authorities in the country.

9.36 Apart from the conceptual difficulties associated with defining an appropriate scope for regional planning in Uganda, regional planning activities within Government have come up against several problems of a purely administrative character. One of these has been the lack of a unified programme of Government work in the regional planning field and the consequent uncertainty concerning the responsibilities of the various bodies involved in regional planning. To overcome this problem, steps are being taken to integrate the regional planning activities of the Ministries of Local Administrations, and Finance and Planning. In particular, locational planning will be co-ordinated with the planning and programming budgetary system of the Ministry of Finance and Planning. Ultimately, each of the Planning Units will also become fully involved in the regional planning exercise. Another major problem encountered has been the severe shortage of staff for the extensive analytical and physical planning work. Special difficulties arise in this regard not only because of the wide range of requisite skills but also on account of the large volume of professional assistance which must be granted to local planning bodies. Urgent recruitment and training efforts are already under way, but it is anticipated that staff shortages will continue to impose a major constraint on regional planning work for a number of years to come.

9.37 The most important institutional measure that has been taken to promote planning at the local level was the transformation, in 1968, of District Teams into District Teams/Planning Committees (D.T.P.C.'s). The D.T.P.C. is chaired by the District Commissioner and consists of all the most senior Government officials in the district together with the departmental heads in the District Administration. In each district, the principal function of the Committee is to provide, through regular consultations among the member officials, a forum for the day-to-day co-ordination of all development activities undertaken by the District Administration and the various Government Ministries with a view to ensuring their consistency with one another. It has also been the responsibility of the D.T.P.C.'s to advise Government on the implications of national policies and programmes for their respective district; to propose appropriate new programmes or modifications in existing ones; and to keep under continual review the development problems in the different districts.

9.38 In the past, the then Ministry of Planning and Economic Development and the then Ministry of Public Service and Local Administrations have given extensive professional support to the D.T.P.C.'s, but it has not been possible to set up a full-time central secretariat for the Committees as had been envisaged. Government will continue to extend varied professional assistance to the D.T.P.C.'s, especially in the way of statistical services and economic analytical work. As Government's own staff position improves, professional officers will be posted in the districts to serve as full-time secretaries to the D.T.P.C.'s and to provide the main working link, at the technical level, between the Committees and regional planning agencies at the Centre.

9.39 The work of the D.T.P.C.'s has, in the past, suffered from the absence of clear guidelines on the relationship between these Committees, on one hand, and District Administrations and Government Ministries, on the other. Appropriate administrative measures are being taken to eliminate the ambiguities that have bedevilled status of the Committees, and to accord them a formal role in the formulation of District Budgets and Plans. The Committees will also be the main local agencies supervising the implementation of the pilot Integrated Rural Services Project described in Chapter Seven.

9.40 As already mentioned, past attempts to involve local representative bodies in the planning process have not been very successful. Government has thus decided to set up a hierarchy of "Development Committees" at all levels of community organisations from district down to muluka. As their name indicates, the main functions of these Committees will be to advise Government, through the D.T.P.C.'s, on all matters affecting the development of their respective areas, to propagate Government development policies, and to assist in the organisation of communal self-help activities.

H. *Operations of the Government Corporations*

9.41 It has been clear for some time that there are a number of unsatisfactory features relating to the organisation and responsibilities of the Government corporations. These arise from the irrational allocation of responsibilities amongst the corporations, from the lack of co-ordination of their activities, and from the inconsistent and ineffective nature of control exercised by Government.

9.42 In order to ensure that areas of responsibility are well defined, and that co-ordination of activity is improved, Government, after carrying out a major review of the parastatal sector, has decided to rationalise the allocation of responsibilities amongst the corporations. The basic principle behind this re-organisation has been to ensure that the activities of each corporation are closely related to specific sectors of the economy. Some new corporations have been established, and the subsidiaries and associates of existing corporations have been realocated to accord with this principle. Thus, under the new arrangements, each corporation will be the parent company for a whole range of subsidiaries whose activities are most closely related. Table IX—1 summarises the list of the corporations and the Ministries to which they are responsible under the re-organisation. A fuller description of the establishment and activities of the reconstituted corporations is contained, where relevant, in the other chapters of this Plan.

9.43 Government's contributions to and expenditure by the corporations are to grow very rapidly during Plan III, and their performance is crucial to the attainment of some of the major objectives of the Plan. For these reasons, and because of the unsatisfactory nature of the control which has been exercised in the past, it is necessary to clearly define the extent of Government's control over the corporations. The corporations are to operate on a commercial basis, and will be entirely free of any interference, from Government, of an administrative kind. The specific direction of all the affairs of the corporations will be the responsibility of their Board of Directors, who are appointed by Government. Financial control over the activities of the corporations will be obtained by Government principally through its approval of a detailed annual investment programme for each corporation. This programme will be accompanied by a five-year investment forecast and a prospective five-year cash flow statement. The programme will be backed up by a clear indication of the policies of the corporation, of how the investment will be financed, of the development of the corporation in the light of the development of the sector in which it is involved, and of policy decisions required from Government by the corporation to enable it to achieve the specified objectives. Any amendments to the annual investment programme will need specific approval from Government. Government approval of these programmes will be exercised by the Standing Planning Committee of Cabinet, and Government contributions to the corporations will not be made until the annual investment programme has been approved.

Table IX—1. Plan III—Government Corporations

Responsible Minister	Agricultural and Industrial Development	Public Utilities and Construction	Banking, Insurance, Commerce	Tourism
Finance and Planning ..	—	—	Uganda Development Bank; National Insurance Corporation; Uganda Commercial Bank; Bank of Uganda.	—
Agriculture and Forestry ..	Agricultural Development Corporation.	—	—	—
Animal Industry, Game and Fisheries	Livestock Development Corporation.			
Commerce and Co-operatives	Coffee Marketing Board; Lint Marketing Board; Produce Marketing Board.	—	State Trading Corporation.	—
Industry	Uganda Development Corporation.			
Tourism	—	—	—	Tourist Development Corporation.
Mineral and Water Resources	—	National Water Board.	—	—
Works and Housing ..	—	National Construction Corporation.	—	—
Power and Communications	—	Uganda Electricity Board.	—	—

I. *Relations with the East African Community*

9.44 Responsibility for planning matters within the East African Community is vested in the Economic Consultative and Planning Council (E.C.P.C.) which consists of the three East African Ministers, and of three Ministers from each of the Partner States. The functions of the Council are to assist the national planning of the Partner States by consultative means, and to advise the Authority on planning matters affecting the Community. The East African

Committee of Planners—consisting of top planning officials from the Community and the Partner States—assists the E.C.P.C. in discharging these responsibilities. Particular emphasis is placed on developing long-term planning arrangements for the Community Services, and on the co-ordination of the national planning of the Partner States at the sectoral level. As a step towards the first objective a Five-Year Plan for the General Fund Services of the Community (those services directly administered by the Community, including statistical services, research services, and the Customs, Excise, and Income Tax Departments), is now being prepared. To assist in the second objective, a number of sectoral sub-committees of the Committee of Planners have been established, covering the industrial, tourism and transport sectors. A further sub-committee exists for the General Fund Services, and other committees covering additional sectors will be established at a later date. Uganda is fully represented on all these committees, and will continue to play an effective part in their work.

9.45 A further area of integrating the planning activities of the Government with those of the East African corporations is through Government's representatives on the Boards of Directors of the corporations. There has been very little co-ordination of policy between Government and its Directors, and steps will be taken, through the Office of the President, to more effectively represent the Government's views to the various corporations.

III. Summary of Government Expenditure

9.48 Plan III Government development expenditure for the project described in this Chapter amounts to Shs. 20·0 million.

Table IX—2. The Functions and Machinery of Planning—Government Development Expenditure*

Project Code Number	Programme Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	PROGRAMME: ECONOMIC AND PRE-INVESTMENT STUDIES		20·0	10·0
9·1	Economic and Pre-Investment Studies	MFP	20·0	10·0

NOTES:—

*The relationship between the 'bank' and 'high priority' allocation to the project is explained in Chapter Eight (paragraphs 8.7–8.10). The system of code numbers associated with the project is explained in Appendix I.

† MFP—Ministry of Finance and Planning.

PART TWO

Chapter Ten

RURAL PRODUCTION

10.1 The primary production activities, crop and animal farming, fishing and forestry, constitute the most important sector of the Ugandan economy. Over one-half of the total domestic output originates from these activities. More significantly, over ninety per cent of the population is dependent upon this sector for its income. Because of its overwhelming importance, the rural sector must be the major spearhead of economic development. At the same time, the difficulties of organising and providing effective services to the hundreds of thousands of farmers faced with a wide variety of problems cannot be overemphasised. Change and improvement are, of necessity, a slow, cumulative process. Measurable effects during any Plan period, a relatively short span of five years, do not necessarily reflect the changes which occur, particularly for the livestock and crop products. However, periodic assessments do indicate areas of difficulty as well as success and thus assist in the formulation of effective policies and programmes.

10.2 The Second Five-Year Development Plan target for the growth of Gross Domestic Product in the monetary agricultural sector was 5·1 per cent per annum in real terms. During the four years for which data are available, 1966 through 1970, actual growth recorded for the sector was, at 4·5 per cent per annum, slightly below target. The forestry and fishery sectors did better, with actual annual growth rates in the region of ten per cent, compared with the Plan target of six per cent. In spite of this fairly respectable performance, the share of subsistence rural production in total output remained virtually constant over the Plan period, instead of falling as planned.

10.3 The output targets of the Plan were exceeded in respect of several products: tea, tobacco, fish and poultry. Food crop production appears to have kept pace with the growth of population although market price movements indicate that expansion of output in some instances did not keep pace with the growth in market demand. Coffee production reached a historical high in 1968–69, considerably in excess of quota-limited sales. Livestock output appears to have been in line with Plan targets, although the data available are only very approximate. The major shortfalls occurred in cotton and groundnuts. Although cotton production reached a historical peak in 1969–70, it was still considerably short of the Plan target. The shortfall in groundnut output is inferred from the steady decline in exports over the Plan period, the rise in domestic prices, and periodic shortages on the home market.

10.4 Although exports of agricultural products other than coffee and cotton have increased considerably over the first four years of the Plan, the proportion of export value generated by the two major crops did not decline as had been anticipated. The sharp rise in coffee prices during 1970 and the record cotton harvest in 1969–70 are the factors responsible. Coffee's share of total exports, after reaching a peak in 1970, is expected to decline in the years ahead as the slow growth in export volume is unlikely to compensate for the expected decline of prices.

10.5 The experience of the Second Five-Year Development Plan demonstrates the critical importance of the rural sector. It is evident, for instance, that the rate of growth of total monetary output can only marginally exceed the growth rate achieved in the rural sector. Recent experience has also shown that successful crop expansion programmes result from concentrated and special effort. The success achieved in respect of tea, which has had special staff assigned to it for extension, credit and marketing, is the outstanding illustration of this.

10.6 During the Third Five-Year Development Plan the rural sector will be given even greater emphasis than in previous Plans. The main Plan III goals for the rural sector are:—

(i) The maintenance of self-sufficiency in the major food products, the achievement of self-sufficiency in maize, onions, potatoes, rice, timber and sawn wood by the end of the Plan period, and a considerable reduction in the dependence on wheat and milk imports.

(ii) A sustained increase in agricultural production averaging 4·9 per cent per annum for marketed output. The share of subsistence production in gross domestic product will decline by three percentage points from the 1967–69 base of 31 per cent to 28 per cent by 1976.

(iii) The expansion of agricultural exports at the maximum feasible rate. Despite the expected decline in average export prices due primarily to the behaviour of coffee prices, total receipts from agricultural export sales will rise to 4·5 per cent annually from the 1967–69 base.

Efforts aimed at the identification and the expansion of output of those products which can be utilised as inputs of food processing and other manufacturing industries, as well as the development of the relevant processing activities, will be intensified.

10.7 In order to achieve the goals listed in the foregoing paragraph, the allocation of financial resources to the sector has been fixed at the maximum which can be effectively utilised. The policies and programmes for the development of agriculture during Plan III are designed to result in the most productive utilisation of the financial, land, and human resources available for the sector. The relevant Government programmes can be viewed from two angles: their general functional purpose and their impact on specific lines of agricultural production. Both of these are brought out in the paragraphs which follow. The functional aspects of planned Government action are discussed according to their relevance to the two main lines of strategy for the development of the sector: increasing farm yields and expanding productive acreages. In addition, of course the development of the sector calls for increased activity in the various Government supporting services (such as research and extension) which affect both yields and acreages, and the expansion of formal training facilities for farmers and extension workers. In the last section of the Chapter, some general measures for streamlining and strengthening Government institutional arrangements for rural development work are mentioned.

I. Farm Yields

10.8 Output per farm is a function of the amounts and quality of inputs used, husbandry practices, the quality of farm management, marketing facilities and pricing policies. The action which Government will take to promote higher yields will therefore include:—

(i) the development and propagation of new and improved current farm inputs such as insecticides, herbicides, fertilizers and improved seed;

(ii) the development of farm equipment best suited to the needs of the farmers;

(iii) livestock breeding programmes;

(iv) the demonstration of improved farming techniques;

(v) the provision of increased credit for rural production;

(vi) pricing and subsidy policies designed to provide maximum incentives to rural producers; and

(vii) measures to expand and improve storage facilities and to reduce the cost of marketing farm produce.

A. *Farm Inputs*

10.9 Seed selection, plant breeding and seed multiplication have for a long time been continuing responsibilities of Government. During the Second Five-Year Development Plan, the major effort in this regard was the selection and multiplication of two new cotton varieties, BPA and SATU. By the end of the Plan period, these two varieties had replaced all others, BPA in the southern part of Uganda, SATU in the northern and parts of eastern Uganda. As improved cotton varieties possessing the desired characteristics of higher yield and greater disease resistance are developed, they will be made available to farmers.

10.10 In 1968, seed multiplication work on groundnuts, maize, sorghum, beans and pasture grasses, was started near Masindi. By the end of the Second Five-Year Development Plan, improved seed was being grown on 400 hectares for distribution to farmers. The construction of a specialised seed processing plant and ancillary facilities for the scheme was started in 1970 and will be completed by mid-1972 at a capital cost during Plan III of Shs. 2·0 million. Following this, the second phase of the project will be commenced. During this phase, a seed farm of 10,000 acres will be established, outgrowers and other institutions will be used as seed farmers, and processing, handling and storage facilities will be installed at Masindi and at national seed farms. Particular attention will be paid to the production of groundnut seed. A seed technology section will be established to ensure adequate quality control and to co-ordinate research in seed development. Improved pasture seed will be grown on 1,000 hectares for distribution to dairy farmers and arrangements are being made to transfer responsibility for pasture seed multiplication to the Ministry of Animal Industry, Game and Fisheries. During Plan III the capital cost in respect of the second phase of the seed multiplication will be Shs. 21·3 million. The 1976 target for acreage planted to produce the improved seed is shown in Table X—1.

Table X—1. Target of Improved Seed and Crop Acreages, Selected Crops, 1976

Crop	*Acreage (hectares)*
Groundnuts	2,000
Maize	550
Beans	950
Sorghum	500

10.11 Government will expand its programme for promoting the use of insecticides. In addition to normal demonstration and extension, the programme will rest on two main pillars. First, a much larger quantity of insecticides will be provided to farmers at subsidised prices, subject to the conditions specified in paragraph 10.28. Secondly, more extensive use will be made of organised spraying teams; in particular, team spraying on cotton will be a new effort supported by Government. There will also be a considerable expansion in the acreage of arabica coffee covered by team spraying. The use of micromise powder insecticides, which require very little water for application, will be an increasingly important feature of the programme during Plan III. Investigations into setting up a factory in Uganda for the manufacture of the more commonly used insecticides are now complete, and the factory will be established in the early part of the Plan period.

10.12 Fertilizers are used on a very limited basis in Uganda. The major crops on which they are applied are sugar, tea, tobacco, cotton and coffee. However, investigation into the economics of fertilizer use have progressed to the stage where it is possible to issue firm recommendations for their use on a number of crops. Fertilizer testing will be continued throughout Plan III, and those fertilizers which may be economically used will be readily available at distribution centres convenient to farmers. As a result of extension efforts and the provision of credit, fertilizer use is expected to more than double betwen 1969 and 1976, as shown in Table X—2.

Table X—2. Fertilizer Use in Uganda, 1969 and 1976.

(metric tons)

TYPE	QUANTITY	
	1969	1976
Nitrogenous	6,500	17,000
Phosphatic	5,300	20,000
Potassic	2,700	3,000
Complex fertilizers	12,000	17,000
TOTAL	26,500	57,000

10.13 The Second Five-Year Plan called for a major expansion of the Tractor Hire Service through which Government provides tractors on hire to farmers. Because of the very high cost to Government, a review of this programme was undertaken in 1968, and, as a result, the purchase of new tractors was curtailed. The substantial cost to Government has continued despite the fewer than planned number of tractors in service. Among the reasons for the high cost are:—

(i) The large variety of makes and sizes of tractors owned by Government, which makes maintenance and the provision of spares expensive.

(ii) The unsuitability for Uganda conditions of some of the tractors purchased. The problem has been primarily that of tractors which were too light for the heavy soil conditions encountered.

(iii) The great difficulties of managing a fleet of tractors dispersed around the country, as is evidenced by frequent misuse of the vehicles and an inordinately large amount of down time.

(iv) The severe shortage of technical staff for servicing and operating the tractor fleet.

(v) The very low rates which farmers pay for the service.

To make the high cost even more burdensome there is little conclusive evidence that tractor use alone had generally increased the output of any agricultural product.

10.14 Because of the high cost, the lack of evidence of offsetting economic benefits, and the difficulties of effective supervision and management, Government will review the entire agricultural mechanisation programme including the Tractor Hire Service. The Plan III provision for maintenance and other operating costs of the Tractor Hire Service, all of which are carried on the development budget, is Shs. 80 million, subject to the outcome of the review referred to above.

10.15 During the Second Five-Year Development Plan, more effort was put on tractor cultivation than on the less expensive and perhaps more suitable alternative forms of mechanisation, such as ox cultivation. The use of oxen for motive power has several inherent advantages over tractor use organised as in the present Tractor Hire Service. First, the animals can be kept by the individual farmer and used as needed. The cost of upkeep, given the amount of grazing land available, is minimal. Moreover, the animals can be used to carry farm produce to market as well as supplies to the farm. Ox-drawn implements are also easier to produce locally.

10.16 During Plan III, a major effort will be made to popularise the use of oxen for farm work. A special section will be established in the Department of Agriculture to deal with this matter, and specialised field officers will be posted to the districts. Ox units will be established at the district farm institutes, agricultural colleges and research stations. The Plan III target is to train 800 pairs of oxen annually for a total of 4,000 pairs to be made available to farmers over the Plan period. The capital cost of the programme will be Shs. 1.0 million.

10.17 Although some work has been done in the past on small-scale mechanical units for farm work, more attention needs to be given to this matter. At least one foreign country has successfully developed a wide variety of mechanical implements for use by its small farmers. Government will undertake a programme of testing such equipment for possible use within Uganda. Chapter Eleven contains proposals for the local manufacture of agricultural machinery and equipment.

10.18 A very important area of Government's concern with improved farm inputs is the breeding of more productive dairy and beef cattle for sale to livestock farmers, and the provision of artificial insemination services. More details on the planned development of these activities are given in Section V of this Chapter.

10.19 Another input, of a potential virtually untapped, is the provision of water through supplementary irrigation in the areas at present under crop and animal production. Most of Uganda enjoys adequate rainfall for rural production purposes on an annual average basis. However, the precipitation occurs during distinct rainy seasons separated by extended dry periods. By making use of rivers, lakes, and, perhaps more importantly, sub-surface water during the dry periods, output could be increased significantly. Government will undertake intensive exploitation of this potential during the Plan III period. In this regard, a programme which is of particular importance for the livestock industry is the construction of valley tanks and dams for the storage of water for use during dry seasons. During the Second Five-Year Development Plan, 253 million gallons of valley tank capacity was constructed, which was in excess of the Plan target of 228 million gallons. The total capacity of dams constructed during the Plan period was 14 million gallons. During Plan III, 150 additional valley tanks and 10 additional dams will be constructed. In order to carry out this work, three construction units will be acquired, two of which will be primarily concerned with valley tank construction, and the third with dam construction. The Plan provision for the purchase of the units and their operating costs (which are carried on the development budget) is Shs. 20 million.

B. *Rural Credit*

10.20 The Second Five-Year Development Plan called for a major expansion of farm credit. Achievement fell considerably short of target because the necessary resources could not be mobilised except for smallholder tea and beef ranching. A short-term credit programme, administered by co-operative societies for small farmers, was implemented and has been expanding at a relatively steady pace. In 1970, the Uganda Co-operative Development Bank was reactivated and given responsibility for credit to co-operatives.

10.21 As described more fully in Chapter Thirteen, a new Government institution, the Uganda Development Bank, is to be established to handle short-term agricultural credit, and medium and long term credit to the agricultural, industrial and commerce sectors. The functions and resources of the Uganda Co-operative Development Bank will be transferred to the new institution. Smallholder tea loans which have been handled by the Uganda Tea Growers Corporation (UTGC) and the cattle credit which is at present administered by the Bank of Uganda will also be transferred to the new credit institution.

10.22 Short-term production credit for smallholders will continue to be handled through the co-operative agricultural credit scheme. Primary co-operative societies which are judged to be credit worthy are given production credit for on-lending to farmers on the basis of a programme prepared in consultation with the agricultural credit specialists whose responsibilities include processing and servicing the loans, supervision and follow up. Where possible, the loans are given in kind to ensure proper utilisation of the funds. To meet the financial requirements of the agricultural programme, Shs. 3 million will be made available annually by Government to the Uganda Development Bank, a total of Shs. 15 million over the Plan period. In view of the frequent turnover of short-term loans, this finance will permit total lending by the Bank of about Shs. 45 million over the Plan period. The major crops which will be assisted with these funds are, cotton, groundnuts, beans, maize and selected other food crops.

10.23 Medium and long term credit is needed for the establishment of perennial crops, farm buildings, crop stores, cattle ranching, and for other development purposes. The total medium and long term credit to be provided by the Uganda Development Bank over the Plan III period is estimated at a minimum of Shs. 175 million. This will be in addition to the loans which credit worthy farmers will be able to secure from commercial banks. The repayment of currently outstanding loans for agricultural purposes will make Shs. 25 million available for re-lending over the Plan period. An additional Shs. 125 million will be made available by Government (*see* Table X—3). The balance of Shs. 25 million will be met by the repayment of loans made early in the Plan III period.

Table X—3. Contributions by Government for Medium and Long-Term Agricultural Lending by Uganda Development Bank.

Purpose	Paragraph	Government Contribution
		Shs. million
Primary Co-operative Societies Storage	10·32	10·0
Co-operative Union Storage	10·33	6·0
Sugar Outgrowers	10·91	8·0
Tea Outgrowers	10·93	28·6
Flue-cured tobacco	10·96	20·4
Groundnuts Grading Units	10·99	1·5
Other crops*	—	10·0
Beef Ranching	10·125	20·0
Dairy Farming	10·127	20·0
TOTAL ..		124·5

*Provision for credit in respect of crops other than those specified above.

10.24 It should be noted that credit will be limited not only by the financial resources available, but, perhaps critically, by the shortage of trained manpower to process and supervise the loans. Loan requests must be prepared in close consultation with specialists in the particular crop or activity. In addition, each loan must have adequate follow-up to ensure that the proceeds are used effectively for the intended purpose. The large numbers of potential borrowers, the limited staff available to work with the farmers to prepare loan requests, and the limited facilities for follow-up, particularly on short-term loans, make it extremely difficult to expand the size of the credit programme rapidly. All of these factors, as well as the planned expansion of the Agricultural Credit Advisory Service, have been taken into account in estimating the financial requirements of the programme. Mid-way through Plan III a review will be made of the entire credit programme in order to assess its effectiveness and administration.

C. *Pricing and Subsidy Policies*

10.25 The success of the programmes to expand crop and animal output is significantly affected by the prices which farmers receive for their produce. Generally, the higher the price the greater the stimulus to output. On the other hand, higher prices to farmers raise prices to consumers unless they are offset by reductions in processing and marketing margins. In the past, efforts to minimise costs to consumers and maximise farm prices have, in some instances, created a severe burden on the marketing and processing sectors.

10.26 Government sets a number of prices which directly affect the rural sector. Among those are the minimum farm prices for coffee, seed cotton, fire-cured tobacco, flue-cured tobacco, leaf tea and selected food crops. To ensure that full account is taken of all possible effects on the economy, all proposals to set and/or change prices will be reviewed by the Price Advisory Committee (described in Chapter One) which will make its recommendations to the responsible Minister. Minimum buying prices for annual crops will be announced as early in the season as possible in order to reduce the uncertainties facing the farmer.

10.27 Prices for export crops will be set at such levels that the Government agencies involved in their marketing will not incur losses except under very special circumstances. The latter will arise under the following conditions:—

(i) when it is desired to provide a stimulus to the development of a new export crop which offers a positive return to the economy even after payment of the subsidy; or

(ii) when market conditions suddenly shift and cause prices [illegible] fall below originally expected and therefore announced levels; and

(iii) the world market price is expected to recover within a short period, seasonally for annual crops and within a year or two for perennial crops, from the levels requiring a subsidy.

10.28 In order to encourage farmers to purchase inputs which will increase productivity, Government has been subsidising such items as fertilizer, insecticide, insecticide spray pumps, fencing material, fishing equipment and other farm equipment, at rates ranging from one-third to one-half of the market price. The subsidy programmes have been in existence long enough to permit an assessment of their effectiveness. Such a review will be undertaken during Plan III. Subsidies will be continued in only those cases, where:—

(i) the increased use of the input in question is reasonably likely, on the basis of available data, to increase output and net returns to the economy several times the cost of the subsidy;

(ii) the subsidy increases the use of an input at a considerably faster rate than is otherwise likely; and

(iii) the expanded use of the input is likely to continue even after future reduction and elimination of the subsidy.

The review will also examine the scope for adding new items which meet the above criteria to the subsidy list.

The Plan III allocation for subsidies on rural inputs is Shs. 12·5 million, of which Shs. 10·0 million is to be administered by the Ministry of Agriculture and Forestry and the balance by the Ministry of Animal Industry, Game and Fisheries. Of this latter, Shs. 2 million will be for livestock subsidies and Shs. 0·5 million for fisheries subsidies. The allocations in this paragraph do not include the subsidy for insecticides used on cotton and assistance to be given for the purchase of deep water fishing trawlers which are covered in the relevant special programmes.

D. *Marketing*

10.29 Coffee and cotton, the two major export crops, have for decades been marketed through the Coffee and Lint Marketing Boards respectively, and this arrangement will continue in the future. The Produce Marketing Board (P.M.B.) was established in 1968 to market other crops and was initially given monopoly marketing powers only in respect of flue cured tobacco. Since then, a number of additional crops have been declared controlled produce which, in effect, gave the Produce Marketing Board monopoly powers over their distribution from farmers to consumers. The Board has designated the co-operative movement as its buying agent. In carrying out its functions, the Produce Marketing Board has encountered a number of problems, the most important ones of which have been:—

(i) lack of transport to collect farmers' produce from the co-operative societies;

(ii) inadequate storage facilities at the primary society, union and P.M.B. levels;

(iii) the absence of co-operative societies in a number of areas in which the controlled produce is grown; and

(iv) the limited operational efficiency of the co-operative movement.

10.30 The Produce Marketing Board will retain monopoly marketing responsibilities for flue cured tobacco only. For other crops, the primary responsibility of the Board will be the maintenance of floor prices for crops which will be designated by the Minister concerned. This will require the Produce Marketing Board to buy at the floor price whatever quantity of the designated crop is offered to it. Monopoly powers over the marketing of crops will only be given when such monopoly is clearly of benefit to the farmer and the nation. Government will ensure that farmers are paid cash on delivery by co-operative societies and the Produce Marketing Board. Sales policy for the several crops handled by Government Boards will be reviewed, and changes will be made as necessary.

10.31 For coffee and cotton, Government sets the minimum growers' prices and the prices paid to processors by the Marketing Boards. The Boards in turn have sold the coffee, cotton and cottonseed at the best prices which can be secured. The difference between the price they pay for the processed product and the price at which they sell minus export taxes constitutes the margin from which the marketing agencies meet their costs. If, as in the case of coffee recently, world prices are high, the Boards can earn substantial profits which are transferred to the Price Assistance Funds. If the margin is small or negative, the Marketing Board will suffer losses which, in turn, are covered from the Price Assistance Funds. Under the present system, given the prices at which the marketing Boards sell, profits and losses of the Boards are determined by two components identified—the prices set by Government and the efficiency of the marketing agencies. In order to promote the efficiency of marketing operations, Government will in the future set marketing margins for crops such as coffee and cotton, out of which the Boards will be expected to meet costs and earn a profit.

10.32 An essential requirement of an efficient marketing system is adequate storage facilities. Additional storage is needed at all levels from the primary co-operative societies to the central collection and distribution centres. At the primary society level there is at present an average of three stores per society. Many are not adequate and provide little protection. The Plan target is the construction of 2,000 additional primary society stores. This will require an intensive self-help effort supplemented by loans from the new Uganda Development Bank. Government will contribute Shs. 10 million to the Bank for this programme. These funds have been included in the estimate of total financial requirements of the Bank (paragraph 10.23).

10.33 Of the twenty-nine co-operative unions in the country, only [illegible]mall number have anything approximating adequate storage facilities, particularly for crops other than coffee and cotton. A phased programme for storage construction at the union level will be prepared after a detailed study of existing facilities and future needs. The Plan III provision for Government financing of the programme is tentatively set at Shs. 6 million, also included in the total contributions of Uganda Development Bank (paragraph 10.23).

10.34 To complement the storage facilities to be set up by co-operative societies and unions, the Produce Marketing Board will undertake a nation-wide programme of storage construction during the Plan III period. The exact scope of the programme is being finalised. Pending this, a sum of Shs. 20·0 million is allocated as Government's contribution to the cost of the storage requirements of the Produce Marketing Board. The provisions in this and the previous two paragraphs exclude requirements for flue-cured tobacco storage which are covered in paragraph 10.96.

10.35 Plans for the improvement of livestock marketing are described in paragraph 10.132.

II. Expansion of Acreages under Production

10.36 Uganda is fortunate in having considerable uncultivated land which can be brought into productive use. The tsetse fly eradication programme, irrigation schemes, bush clearing and the provision of drinking water and roads will facilitate the use of this idle land. Among other benefits, the opening of new lands and the movement of population to these areas will give Government an opportunity to implement a programme for the establishment of economic size farms, particularly in the densely populated areas such as Kigezi and Sebei. In order to formulate a long-term programme for the consolidation of small farms, studies will be undertaken of farm incomes in the various areas of Uganda. Much of the relevant data is expected to emerge from the Census of Agriculture to be carried out in 1973.

A. *Tsetse Fly Eradication*

10.37 Since the inception of the tsetse eradication programme, Uganda has cleared over 30,000 square kilometres infested by the trypanosomiasis carrier. During the Second Five-Year Development Plan, five eradication projects were undertaken. Work on four of these projects, the Ankole Lakes, Bunyoro/Lango, Toro, and Acholi/Karamoja will be carried forward into the Plan III period. The Aswa project was completed during the Second Five-Year Development Plan. Much of the land cleared of tsetse during the past decade has been utilised for large-scale beef ranching schemes. However, tsetse eradication work appears to have outpaced the programmes for the utilisation of the cleared land. For example, the Plan III programme for beef ranching expansion will only utilise land which was cleared of the fly before the end of the Second Five-Year Development Plan. If cleared land is left idle for an extended period, there is danger of reinfestation. Therefore, Government will expand the tsetse eradication programme only at a rate which permits land clearance to be more closely linked with feasible programmes for land utilisation. Tsetse flies are not only the carriers of trypanosomiasis which affects cattle, but also of human sleeping sickness. In general, the latter is not a problem except in southern Busoga. To eliminate this threat and to open up a very fertile and accessible area for agricultural purposes, the South Busoga tsetse clearance project, covering 3,000 square kilometres between the Jinja-Tororo Road and the shores of Lake Victoria, will be undertaken during Plan III. The Plan III development expenditure provision for the tsetse eradication work is Shs. 40 million. Map B indicates the extent to which Uganda is currently infested by tsetse, the areas which have been cleared in the past, and the major areas—Toro and South Busoga—to be cleared during the course of Plan III.

B. *Irrigation, Swamp Reclamation and Settlement*

10.38 Investigations that have been carried out in the past have demonstrated that the productivity of most agricultural land in Uganda can be increased significantly through irrigation. With irrigation, large areas of the country which have good soils but are moisture-deficient could be brought under agricultural production and could achieve yield much in excess of present national averages. In addition, there are close to a quarter of a million acres of clay and peat swamps in Uganda. Work that has been done on the Kiruruma and other swamps in Kigezi has shown that these swamps can be effectively reclaimed in a controlled manner and turned into highly productive land. It is therefore known that irrigation and swamp reclamation can add substantially to the productive land available to the country. The main problem in the past has been the lack of adequate technical information to form a basis for widespread propagation of irrigation and swamp reclamation throughout the country. In order to resolve the various technical issues involved, a number of pilot irrigation/swamp reclamation schemes are being undertaken. The specific purpose of each pilot project is to develop techniques which can be extensively applied in other parts of the country with land conditions similar to those in the area of the project, and to form the nucleus for the extension of the new pattern of agriculture to areas immediately neighbouring to the project.

10.39 The development of the Mubuku Irrigation Project, which started in 1961, was continued during the Second Five-Year Development Plan and nearly 100 settlers have now been settled on 400 hectares of land. During Plan III a further 1,200 hectares will be developed for new settlement with irrigation, at a cost of Shs. 10 million. The Mubuku Project is now no longer considered as a pilot undertaking, and, in the future, emphasis will be placed on increasing settlement in the area rather than on basic investigations. The Prisons Department has been allocated 6,000 hectares of the land in the Mubuku Project area, for use as a prison farm. The Department is to spend Shs. 10 million for the development of this land during Plan III.

10.40 In addition to the Mubuku Project, the Second Five-Year Development Plan called for the establishment, on a pilot basis, of three irrigation and two swamp reclamation projects. Two of the irrigation projects, those at Labori in Teso and Atera in Lango, have been started. On the Labori scheme, 120 hectares have been cleared and 30 of them are developed. During the next five years another 60 hectares will be settled. At Atera, 60 hectares have been cleared and the installation of irrigation equipment is underway. Settlement on this latter scheme will begin in 1974 after two years of research and field testing; by 1976, 140 hectares of the scheme will have been settled. The capital cost of the further development of the Labori and Atera Irrigation Projects during Plan III is estimated at Shs. 2·0 million. Work will be started on the Omunyal Swamp Reclamation Scheme and the Okokorio Irrigation Scheme, both in Teso District. On both schemes, 420 hectares of land will be cleared and settled by 1976, at a cost of Shs. 2·5 million. The reclamation of the Kiruruma Swamp in Kigezi will be reactivated, and Government will mount a more active programme for the identification of other areas where swamp reclamation is feasible. A total of Shs. 3·0 million is provided for reclamation work on the Kiruruma Swamp and other areas to be identified.

10.41 Small irrigation works have been installed in some areas of the country where river water can be easily tapped. Since small improvements to such works can greatly improve their effectiveness, the existing installations on the Agoro River in northern Uganda will be improved at a cost of Shs. 100,000. A programme of assisting other existing irrigation works will be initiated, and a nominal Plan III allocation of Shs. 200,000 is made for this.

10.42 The Swamp Reclamation Scheme at Kibimba, on the Jinja-Tororo Road, will be completed during Plan III. After reclamation, the entire area reclaimed (about 800 hectares) will be devoted to rice production. The financial provision for the completion of this Scheme, together with the cost of developing rice production in the area, is given in paragraph 10.104 below. In addition, assistance will be given to individual and co-operative farmers who wish to undertake swamp drainage and reclamation projects on their own land.

10.43 In areas where large tracts of fertile land remain uncultivated, special efforts will be made to encourage settlement. Among the measures which will be taken are the provision of drinking water (particularly through the installation of boreholes), the provision of other basic social services, and the construction of access roads. Such action will be particularly directed at encouraging the settlement and cultivation of the cleared barrier zones around the tsetse eradication areas.

10.44 Government will encourage the development of farming co-operatives where uncultivated land is available. The assistance will normally consist of bush clearing, installation of water supplies, and the provision of credit and low cost land planning services. The Plan III provision for assistance to farming co-operatives is Shs. 3·0 million, excluding the cost of credit and land planning services which are provided for under other projects.

10.45 During the Second Five-Year Development Plan, NUYO began an agricultural settlement scheme on 3,500 hectares of land near the Kinyala Sugar Estate. During the Plan III period, 1,500 hectares of this land will be settled, at a cost of Shs. 4 million. Agricultural development will also continue in the ten refugee settlements in the country. The cost of the agricultural development of these settlements are included in the estimates relating to refugee resettlement schemes described in Chapter Twenty.

10.46 The Prisons Service operates a number of agricultural farms attached to the prisons in various parts of the country. Cash receipts and the value of rations produced on prison farms is estimated to have risen from some Shs. 1·8 million in the last year of the First Five-Year Development Plan to more than Shs. 4·0 million by 1970/71. A further expansion of prison farm acreage is planned with the establishment of four additional farm units which will bring new land into production. A Plan III provision of Shs. 12 million is made for the establishment of the new farms, and the acquisition of equipment and other facilities needed for operations on existing farms. This provision excludes the development to be undertaken on the Mubuku Prison Farm which is covered in paragraph 10.39. Among the activities to be undertaken are livestock ranching, dairying, poultry farming, and horticultural production.

10.47 In order to bring together all the manpower with the relevant expertise and thus plan and implement the envisaged programmes more effectively, a new full-fledged division is to be set up in the Department of Agriculture to handle all matters relating to irrigation, swamp reclamation and land planning.

10.48 A matter which is not necessarily linked with the expansion of acreages under production, but is of immense importance to settlement programmes and rural development generally, is that of land tenure and ownership patterns. Certain traditional systems of land tenure practised in Uganda make it difficult for farmers to secure credit. Communal grazing practices often complicate efforts to control animal diseases and improve livestock quality. Government will undertake a detailed study of this vitally important matter and introduce such changes in the traditional patterns as are needed to stimulate rural development, without sacrificing the benefits (such as family security) of existing tenure practices.

C. *Bush Clearing*

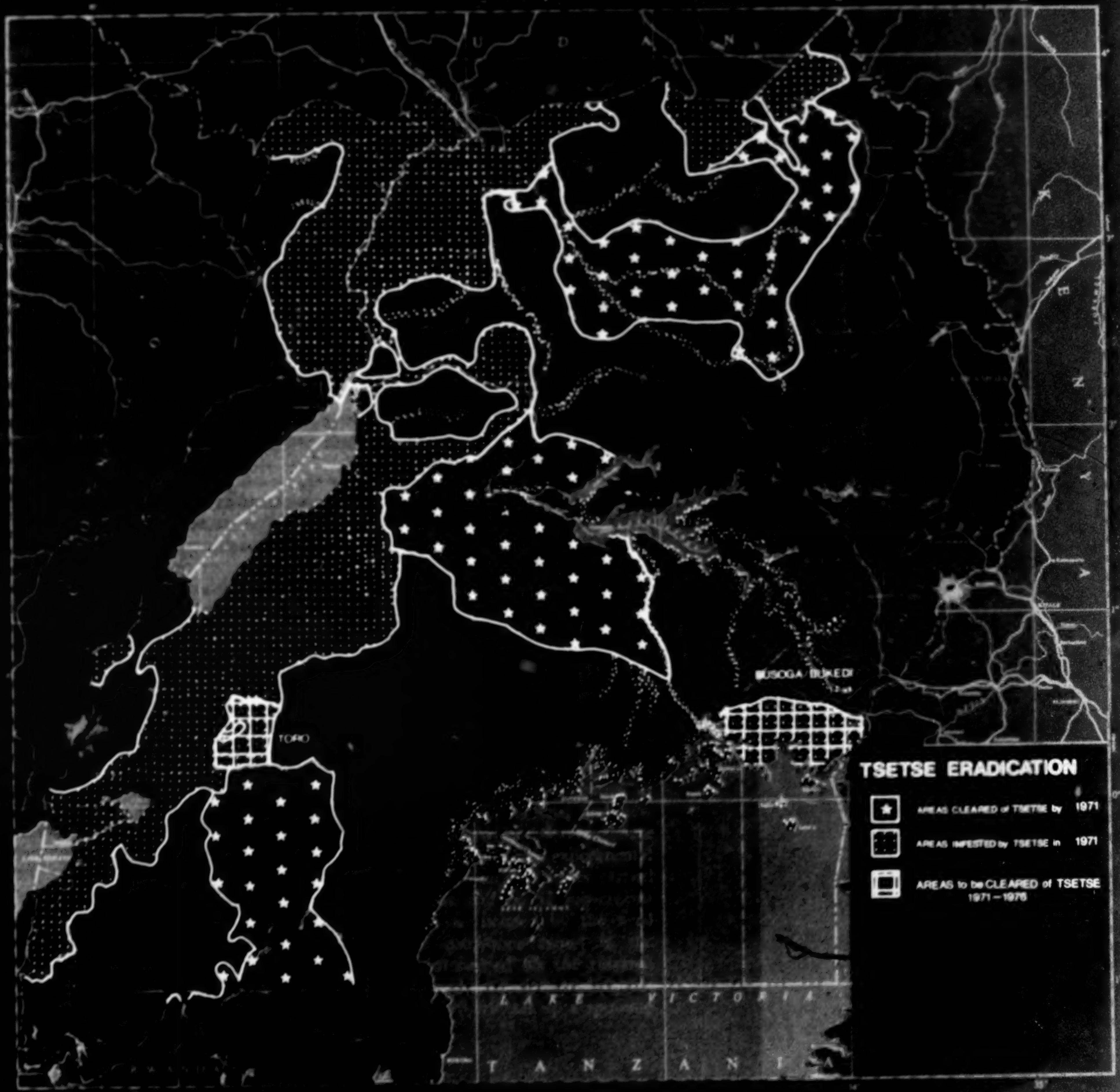
10.49 Some land which is suitable for cultivation is under heavy bush and jungle. To clear this land by hand is a very slow and tedious process, and clearing of this nature is at present considered to be one of the main constraints on the expansion of acreages under cultivation. In order to facilitate bush clearing operations, Government has secured heavy equipment which is used to remove stumps and to chain clear heavy bush areas. This equipment is organised into units. Some of these units are attached to special developmen programmes (such as the tsetse eradication programme and the Ankole/Masaka Ranching Scheme), but others are general purpose units administered by the Ministry of Agriculture and Forestry, and the Ministry of Animal Industry Game and Fisheries. During Plan III, the utilisation of all existing bush clear ing units will be examined with a view to effecting the centralisation of the management, operation and maintenance facilities, if this is found feasibl Notwithstanding this, a provision of Shs. 30·0 million is made for replacin certain elements in the existing units operated by the Ministry of Agricultur and Forestry. The operating costs of bush clearing units is also carried o Government's development budget, and the Plan III provision for this is Shs. 1 million for the Ministry of Agriculture and Forestry and Shs. 1·5 million fo the Ministry of Animal Industry, Game and Fisheries. The financial provision indicated in this paragraph are exclusive of the costs of bush clearing uni attached to special programmes, or of bush clearing operations in respect specific projects covered elsewhere in this Chapter.

III. Supporting Services

10.50 The most important services in this group are research, extension an farm planning all of which are closely interrelated. Research is the foundatio stone upon which rural development efforts ultimately depend. Research o improved varieties, fertilizers, pesticides and disease control is essential. Ne production techniques must be field tested to determine their economic viabilit as farmers cannot be expected to change their agricultural practices unless th anticipate a significant benefit from the change. Research results which a economically promising must then be made available to the farmers throu the extension services, whose success therefore depends on a strong a

TSE-TSE ERADICATION

MAP B


S U D A N
K E N Y A
TORO
BUSOGA BUKEDI
L A K E V I C T O R I A
T A N Z A N I A
TSETSE ERADICATION
AREAS CLEARED of TSETSE by 1971
AREAS INFESTED by TSETSE in 1971
AREAS to be CLEARED of TSETSE 1971 – 1976

continuing research effort. As an additional means of assistance, the farm planning service enables farmers to organise the physical development of their land in an optimum fashion, from the point of view of land allocation and farming techniques and inputs.

A. *Research*

10.51 Research activities cover a wide field ranging from basic investigations in genetics and biology to field testing of selected seeds and cross breeding of cattle. Several agricultural and livestock research projects were mentioned in the Second Five-Year Development Plan. The establishment of the Arabica Coffee Research Station at Buginyanya has lagged behind the original schedule, but the Station is expected to be fully operational early in Plan III. The Lake Victoria Fisheries Research Project at Jinja is continuing its investigations to assist the management and development of the freshwater fisheries potential of Lake Victoria. The Aswa Fact-finding Beef Ranch has been established as a field station for research on pasture and animal management. The Ruhengeri Field Station, completed during the Second Five-Year Development Plan, is concerned with beef cattle breeding studies. The research programme on tick control did not get underway, but limited research in this area has been maintained at the Animal Health Research Centre at Entebbe. All research centres, have, of course, carried out a large volume of routine research and special request investigations.

10.52 During Plan III research activities will be expanded in terms of programmes, facilities, manpower and geographical coverage of the country. Before most of the expansion is undertaken, however, the programmes and facilities in agriculture and animal health research centres will be examined in order to determine priority areas of activity and attendant physical requirements. Faced with serious limitations of trained manpower and other facilities, research efforts in Uganda will be concentrated on problems the solution of which offers relatively immediate benefits to the economy.

10.53 At present there is one main agricultural research centre located at Kawanda, one sub-station at Serere, and a number of variety trial centres in different parts of the country. Early in Plan III, the Cotton Research Station at Namulonge will be turned over to Government and will become a main agricultural research centre. Similarly, the present sub-station at Serere will be up-graded to a main research centre. The variety trial centres at Mubuku and Labora will be expanded into research sub-stations, and new regional sub-stations will also be established at Kawanda and Serere. There will be one sub-station for each region of the country. Eighteen new experimental sub-centres/variety trial centres will be established and improvements carried out to 35 existing variety trial centres, so that there will be 52 sub-centres by 1976. The large number of these trial centres is dictated by the need to cover the wide range of soils and climatic conditions found in the country. The capital cost of the additional facilities needed for the research centres and research sub-stations is Shs. 1·0 million, and for variety trial centres Shs. 4·9 million. In addition, the Lint Marketing Board will set up a spinning technology laboratory at Namulonge to test the spinning qualities of Uganda' cotton. This will cost Shs. 3·7 million over the Plan period.

10.54 Specialised facilities are needed for research in horticultural product and tobacco. The horticultural research programme will undertake work o fruits and vegetables, particularly those which enjoy good market prospects both in the domestic and export markets. Intensified tobacco research, t be centred at Labora, will be carried out to support the planned expansio of tobacco acreage and production. These two special research programme will involve a capital cost of Shs. 2·1 and Shs. 1·3 million, respectively, durin the Plan III period. In addition, Uganda will build a plant quarantine statio to cost Shs. 2·7 million during Plan III.

10.55 Animal disease and animal production research is undertaken a Animal Health Research Centre/Livestock Experimental Station at Entebbe Livestock breeding and pasture studies are carried out at a number of centres throughout the country, most of which are under the control of the Ministry of Animal Industry, Game and Fisheries. Animal breeding and land management research studies have also been undertaken by the Ministry of Agricultur and Forestry. In order to avoid duplication and to effect a better integratio of efforts, in future all Government research on livestock and pasture will b sponsored and administered by the Ministry of Animal Industry, Gam and Fisheries. The planned improvement and expansion of research units unde the Ministry of Animal Industry, Game and Fisheries over the next fiv years will cost Shs. 2 million. In addition, Shs. 4 million is provided for th operating costs of the Aswa Valley Fact-finding Beef Ranch which are carried on the development budget.

10.56 The Animal Health Research Centre/Livestock Experimental Station is located at Old Entebbe between the two runways of the international airport. The same area is the site of the Veterinary Training Institute, a departmental farm, and a milk plant. Early in Plan III, Government will begin a phased transfer of some of the activities out of the area. Subject to detailed plans to be worked out for the removal of facilities, a general provision of Shs. 5 million is made for the works involved. It is expected that the research facilities at Old Entebbe will be transferred first. Two regional animal health research laboratories will be established in order to make this type of facility more accessible to field workers and farmers. The capital cost of this is estimated as Shs. 4 million.

10.57 Most of the forestry research done in the past falls into four categories. These are:—

(i) Studies of the effects of silvicultural treatment on the growth rate of tropical high forest species and fast growing softwoods, as well as specie trials and tree breeding.

(ii) Studies of present wood utilisation patterns and possible methods of reducing waste in processing, and of utilising plantation species.

(iii) Studies of forest plantation pests, and of methods for the control of termites and other timber and wood product pests.

(iv) Studies of charcoal production techniques, and the suitability of various species for charcoal-making.

Research along these lines will continue during Plan III.

10.58 Research on fisheries will be expanded during Plan III and additional facilities will be made available for this. One of the new research projects to be undertaken by Government will be the study of the offshore fisheries potential of Lake Victoria. Shs. 1·0 million is provided to cover the capital cost of this research project and of other additional facilities (including a new aquarium at the Kajansi Experimental Station) required for general fisheries research. In addition, a separate provision of Shs. 500,000 is made for a new research programme on fish canning and other processing of specialised fisheries products. The objective of this programme will be to promote the expansion of commercial fish processing activity in the country. The possibility of setting up an institute to follow up the work of the Lake Victoria Fisheries Research Project and to provide advanced training for senior fisheries officers is being explored. The various research programmes of the East African Freshwater Fisheries Research Organisation, located at Jinja, will be continued during the Plan period.

10.59 The cropping pattern to be found on farms is the result of traditional practices, extension efforts, and responses to prices. Most of the agricultural land of the country is under the management of private farmers, although Government has also established its own farms for particular crops and animals, and has directly encouraged the utilisation of certain areas for particular purposes such as beef ranching in Masaka and Ankole. For the most effective long-term development of the agricultural potential of the nation, available land should be directed [illegible] its most productive uses; there is no clear evidence that the present pattern of utilisation or the pattern embodied in existing plans conforms to this requirement. As a first step in providing a basis for the promotion of optimal land allocation, a land use survey will be undertaken. The purpose of the survey will be to indicate the most productive uses of the land, taking into account projected market demand, yield potential and transport costs. Such a study will enable Government to direct its rural development efforts more effectively.

10.60 A national census of agriculture will be conducted in 1973, to provide more up-to-date basic data on all important aspects of the agricultural sector. The census will be the second in a series of similar comprehensive surveys of the sector which will be carried out at regular intervals. The last Census of Agriculture in Uganda was carried out in 1963.

B. *Extension and Other Field Services*

10.61 Although there was a rapid increase in the number of diplomates and graduates in the agricultural extension service during the Second Five-Year Development Plan, there was little expansion in the number of agricultural engineers and mechanics and agricultural assistants. With the unprecedented increase of Uganda's rural population, the ratio of extension workers to farmers has remained too small (1 : 1800) to effectively serve the large farm population.

During Plan III, emphasis will be placed on producing more and better qualified professional and technical staff, with emphasis on agricultural assistants. The Plan target is to provide one agricultural assistant for every 1,000 farmers.

10.62 Under the present extension staff structure, the field staff consists of agricultural officers, assistant agricultural officers and agricultural assistants, each level being under the direction of the cadre immediately senior to it. The training programmes of the Agricultural Colleges—described in paragraph 10.71—will produce the staff required for the extension service. With the growing acceptance of extension assistance by the farmer and the resultant need for more technical advice, graduate agricultural officers will be expected to spend more time in direct consultation with the farmers.

10.63 A substantial field staff is also maintained by the Co-operative Department. However, as already mentioned, the staff has been insufficient to provide the necessary supervision of the over 2,000 primary societies in existence. During Plan III, the field staff of the Co-operative Department will be expanded with a 1976 target of one co-operative assistant for every five societies and one assistant co-operative officer for every five assistants.

10.64 The Veterinary Department maintains a field staff to provide extension and animal health services to farmers. The number of veterinary dispensaries increased from 8 to 20 during the Second Five-Year Development Plan, with eight more under construction at the end of the period. During Plan III, an additional 30 dispensaries will be set up at a cost of Shs. 2·5 million. Given the widespread demand for this type of facility, every effort will be made to exceed the Plan III target.

10.65 It has become apparent that the agricultural extension service needs to move away from the general assistance approach it has concentrated upon in the past. A more sharply focused approach will assign staff to specific programmes where performance can, within limits, be more effectively assessed in terms of production targets. The success of the more sharply focused approach is seen in the tobacco and tea programmes. The assignment of staff specifically to the ox cultivation programme is another instance where more positive results are likely. The major extension effort to be undertaken during Plan III is the expansion of cotton output. Field staff will be assigned to cotton and other crops grown in rotation with cotton. Thus, several of the important cereal food crops, such as millet and maize as well as groundnuts, will also be covered. In order to effectively spread the programme, a study of integrated agricultural development in the cotton growing zones will be undertaken in the first year of Plan III. Staff will also be assigned to rice cultivation and other food crops in the non-cotton growing areas. This will lead to more effective extension efforts and provide a framework within which the efforts can be assessed.

10.66 The Young Farmers of Uganda programme will be expanded as rapidly as staff resources permit. During the Second Five-Year Development Plan, the number of new participants averaged 7,000 each year. The target is increase this to 12,000 per year during Plan III. The programme concentrates on practical training based upon crop and livestock projects. Through this ogramme youths have been able to pay for school fees, clothes, and, in some ses, bride price. Although the programme has been very successful in teaching ricultural skills and techniques, little has been done so far in the field of nutri- on. More attention also needs to be given to co-operative activities. To over- me these shortcomings, applied nutrition and co-operative projects have been troduced in six districts. This will be expanded to cover all Young Farmers' oups during Plan III. Starting in 1971/72, the programme will be subject to ajor periodic evaluation to improve its effectiveness. Since the Young Farmers ogramme has a number of elements in common with the National Uganda outh Organisation (NUYO), steps will be taken to ensure that unnecessary plication of effort does not occur in their respective activities.

10.67 The Information and Visual Aids Centre of the Ministry of Agricul- re and Forestry was established at the beginning of the Second Five- ar Development Plan. The Centre works mainly through posters, films, d extension news. In order to make this information more readily available farmers, the facilities of the Centre will be expanded, and specialised officers ll be posted in the districts. More and better visual aid facilities will also provided at the district farm institutes. The total capital cost of all these new cilities is estimated at Shs. 2·0 million. A special research extension co-ordina- on unit is to be established within the Information and Visual Aids Centre. he function of the co-ordination unit will be to promote, through the facilities the Centre, more rapid and effective dissemination of significant research dings. As an integral part of its extension programme, the Ministry of nimal Industry, Game and Fisheries is in the process of setting up its own formation and visual aids centre. The centre, including all the necessary uipment, will cost Shs. 1 million. The administration of all Government sual aids centres is to be reviewed early in Plan III (*see* also Chapter Twenty).

Land Planning

10.68 A specialised Land Planning Service was originally established in e Department of Agriculture to cater for the physical development aspects group farms. As interest in group farming waned, the facilities were made nerally available for all farms, whether established by Government, public rporations, or individual farmers, and the demand for the service has been panding rapidly. During Plan III, staff and physical facilities will be creased to meet the growing demand. Staff will increase from 45 to about 0 over the Plan period. Capital funds required for the expansion will be s. 5·0 million. While the present staff of the service are concerned only with e physical aspects of land development, agricultural economists will be cluded in the additional staff to be provided, so that the service can also alyse the financial and economic aspects of farm planning. As mentioned in ragraph 10.47 above, all matters relating to land planning, irrigation and ainage will, in future, be handled by a special division in the Department Agriculture. Land planning services have been provided at subsidised rates charges to all farmers who made use of them. Government will continue to provide the services at less cost to small farmers. However, a schedule of fees will be established so that large farmers will in future be charged the full cost of the services provided.

IV. Education and Training

10.69 To staff Government agricultural services, specially trained personnel are essential. In addition, the co-operative movement must have the men and women with the skills necessary to manage its business affairs. Farmer education through various training programmes is also an essential component of rural development. Government training efforts in this area, therefore, encompass several related sectors and activities:—

(i) the training of full professional level staff, normally at university level;

(ii) the training of agricultural, veterinary, co-operative, forestry and fisheries diplomates and certificate holders, for work in the extension services;

(iii) the training of personnel for employment by the co-operative movement; and

(iv) the provision of short courses for farmers and fishermen.

10.70 Degree-level training is offered in agriculture and forestry at Makerere University, Kampala. The training of Veterinary Surgeons has been offered at Nairobi University in the past, but a degree programme is being started at Makerere in the first year of Plan III. The present size of the existing training programmes for agricultural and forestry professionals are adequate to meet anticipated manpower needs. The size of the new veterinary training programme at Makerere will be carefully regulated to ensure that the facilities to be set up do not produce more graduates than the economy can productively employ. Details of the planned development of the various faculties and departments at Makerere are given in Chapter Eighteen. Professional fisheries officers will continue to be recruited from graduates of foreign universities, until the numbers required justify the establishment of relevant courses in Uganda.

10.71 Although the annual student intake at Arapai and Bukalasa Agricultural Colleges rose from 80 to 140 over the period of the Second Five-Year Development Plan, the expansion of teaching and living facilities which had been envisaged was not carried out. Plans to shift the training of co-operative staff away from Bukalasa could not be implemented since the building of the new Co-operative College at Kigumba did not start until late in the Plan period. During Plan III, each of the two agricultural colleges will be expanded to accommodate 300 students. The expansion at Bukalasa will include the strengthening of the women's home economics programme. The Plan provision for the capital cost of the developments at both colleges is Shs. 4·2 million. The colleges will continue to administer the three-year diploma course and the two-year certificate course to produce the required numbers of staff for the extension service. An in-service training programme will be introduced for the promotion of agricultural assistants who have had experience in the field. Emphasis will be placed on producing staff who have sufficient relevant knowledge and practical skills to advise and work with farmers.

10.72 The construction of the National College of Agricultural Mechanisation at Busitema near Tororo was virtually completed by the end of the Second Five-Year Development Plan period. When fully operational, the college will have accommodation for 350 students. It will offer a one-year course for farm workers, tractor operators, artisans and craftsmen; a three-year certificate course for Assistant Agricultural Mechanics; an advanced two-year post-certificate course leading to a National Diploma in Agricultural Mechanics; and in-service training for Agricultural Mechanics and Assistant Agricultural Officers in charge of mechanisation. After a detailed assessment of the national demand for the skills which the college can offer, additional programmes will be gradually introduced at the college. It is intended that the college will eventually become the national centre for the agricultural mechanisation programme. Shs. 1·2 million is provided for completing the erection and equipment of the college and developing a college farm and estate.

10.73 The Co-operative College at Kigumba will be completed early in Plan III, with facilities for 176 students and 11 staff members. In addition to taking over the diploma course and other specialised courses at present offered at the Bukalasa Co-operative College, the new college at Kigumba will conduct a high-level two-year professional management and accountancy course for departmental staff and personnel employed by the co-operative unions. Candidates for this course will be university graduates in relevant disciplines and others with equivalent qualifications. Exceptionally outstanding co-operative diplomates will also be admitted to the course. The Plan III provision for the completion of the new college is Shs. 4·6 million. With the opening of the Kigumba College, it will no longer be necessary to train co-operative assistants at the co-operative wings of District Farm Institutes and all training of co-operative assistants will thenceforth be carried out at Kigumba.

10.74 The Veterinary Training Institute offers a three-year training course. In order to provide the variety of training needed, students will specialise in their third year in such areas as beef, dairy and pasture work. Since the institute is located in Old Entebbe between the two Airport runways, it will be included in the long-term development and transfer plan which will be prepared for the area (paragraph 10.56). Only essential expenditures will be made pending completion of the plan. A Plan III provision of Shs. 2 million is made to cover the initial cost of setting up the institute on a new site.

10.75 The Nyabyeya Forestry School was expanded and first-year intakes were increased from 12 to 30 during the Second Five-Year Development Plan. The projected manpower needs for intermediate level manpower of the Forestry Department will be met by the output of the school, which offers an 18-month programme for diplomate foresters and a two-year course for rangers. In addition, training programmes for timber cutters, loggers, and those concerned with tool maintenance and operation will be intensified.

10.76 The Fisheries Training Institute will be expanded to accommodate staff training requirements for the expanding fisheries development programme. In addition, training in trawler operations, fish marketing and fish processing will be initiated. Additional classroom and hostel space is needed as well as a boat harbour, skin diving facilities and other improvements. A Plan III development expenditure provision of Shs. 1·4 million is made to cover the cost of all this expansion.

10.77 The District Farm Institutes (D.F.I.'s) supplement (and, in a sense, are part of) the agricultural extension service. The institutes arrange short courses for farmers on specific crops, the use of farm inputs, farm management, and related matters. Other groups concerned with rural development work also attend courses at the Institutes on issues of special interest to them. Of the Second Five-Year Development Plan target of 20 D.F.I.'s, only 15 were in operation by the end of the Plan. Seven of the present D.F.I.'s have co-operative "wings" attached to them where office holders in the co-operative movement are trained. Due to a shortage of capacity at the Bukalasa Co-operative College, these "wings" have also been used for training co-operative assistants. Four of the D.F.I.'s also share facilities with Rural Training Centres (R.T.C.'s) administered by the Ministry of Culture and Community Development (*see* Chapter Twenty).

10.78 In order to economise on construction costs and to utilise facilities with maximum effectiveness, the management and development of D.F.I.'s and R.T.C.'s are to be fully integrated under the overall administrative responsibility of the Department of Agriculture, which will appoint the principals. Greater efforts will be made to harmonise the training offered at the D.F.I./R.T.C.'s by the various Government ministries and departments. An inter-Ministerial Committee has been set up to ensure that all concerned ministries have a full share in the use of the facilities of the D.F.I./R.T.C.'s. During Plan III, Shs. 13 million is provided for six new D.F.I./R.T.C.'s to be established, three of them with co-operative "wings", and for improvements to existing D.F.I.'s and R.T.C.'s. The provision is inclusive of the cost of vehicles for the new D.F.I./R.T.C.'s, and of any necessary development work on the facilities of farm schools which will, in the future, be transferred to D.F.I./R.T.C.'s.

10.79 In addition to the seven co-operative "wings" attached to D.F.I.'s, there are at present another seven associated with Rural Training Centres. During Plan III, a total of six new co-operative "wings" will be established. As already stated in paragraph 10.78, three of these will be at the new D.F.I./R.T.C.'s to be built. The other three will be at existing training units. The cost of setting up all additional co-operative "wings" is covered in the financial provision indicated in paragraph 10.78 above. With the opening of the Co-operative College at Kigumba, it will be possible to reserve the co-operative "wings" at D.F.I./R.T.C.'s entirely for the training of officials of the co-operative movement, as all training of co-operative assistants will be carried out at the new Co-operative College at Kigumba.

V. Crop and Livestock Production Programmes

A. *Coffee*

10.80 Coffee production continued expanding over the Second Five-Year Development Plan period. In 1968–1969 the production of robusta coffee reached an all time peak of 247,000 tons, which exceeded the Plan target of

240,000 tons. Exports, however, could not keep pace because of Uganda's quota under the International Coffee Agreement and the fierce international competition for sales to non-quota countries. Coffee stocks at the end of the Plan stood at a level of some 100,000 tons, which amounted to over one half of annual sales. Domestic coffee consumption, amounting to about 1,000 tons every year, is only a small fraction of total output.

10.81 Of total exports in 1970, about 132,000 tons were quota sales, the balance of 60,000 tons going to non-quota markets. While quota adjustments to meet major production shortfalls in other countries may occur occasionally, present indications are that quota exports in 1976 are not likely to exceed 140,000 tons. Sales to non-quota markets are much more difficult to estimate and it is assumed that sales will decline considerably over the Plan period. Thus by 1976 exports are expected to total about 160,000 tons. Domestic consumption may rise to 1,500 tons.

10.82 To avoid overproduction of coffee and to increase export value, the strategy will be to encourage alternative agricultural activities such as dairying, cocoa, and horticultural production which offer a higher return than coffee; and to promote a significant improvement in the quality of the country's coffee crop. The programmes for the development of alternative crops to coffee are described in some of the later paragraphs of this Section. Quality improvement depends upon good husbandry practices and proper drying which are to be propagated mainly through intensified demonstration and education efforts. More rigorous quality tests will be instituted and price differentials used to encourage quality improvement. Proposed improvements in coffee processing, which is so vital to product quality, are discussed in Chapter Eleven. Spraying and other disease control work will be increased to cover all arabica producing areas by the end of the Plan period.

B. *Cotton*

10.83 Cotton is Uganda's second most important commercial crop and does not face the market limitations of coffee. Production during the Second Five-Year Development Plan fluctuated between a low of 345,000 bales in 1967–68 and a historic peak of 470,000 bales in 1969–70 season. However, even this record production was still considerably below the Plan target of 575,000 bales. Output in 1970–71, the last year of the Plan, is estimated to be 405,000 bales. The main reasons for the failure to achieve the cotton target were:—

(i) the shortfall in the implementation of the credit and cotton spraying programmes;

(ii) the sluggish adoption by farmers of recommended basic agronomic practices, such as early planting and improved harvesting techniques;

(iii) difficulties (such as the abolition of *Kyalo* transport, inadequate storage and processing facilities) associated with the takeover of cotton collection and processing by co-operatives; and

(iv) the sharp reduction in prices paid to farmers following the exhaustion of the Cotton Price Assistance Fund in 1967.

10.84 In order to increase farmer incomes, to generate the additional foreign exchange needed to finance an expanding development programme, and to meet rising domestic requirements for cotton, the *minimum* cotton output target for 1976 (i.e. the 1975/76 season) is 600,000 bales. Depending on the response or farmers to the various measures embodied in this Plan for increasing both yields and acreage, and given favourable weather conditions, production may reach the range of 750,000 to 1,000,000 bales in 1976.

10.85 To implement the cotton programme, a cotton production unit will be established within the Department of Agriculture with specially assigned field staff to organise team spraying and to work with the farmers to ensure timely planting and efficient harvesting. Production targets will be established by districts, counties and sub-counties, against which the performance of staff will be assessed.

10.86 The subsidy on DDT for cotton spraying will be maintained. The farmer will continue to pay Shs. 5 per tin with Government paying the balance (equivalent to some Shs. 15 per tin in recent years). Insecticide use on cotton in 1970 was estimated at 200,000 tins. The Plan III target is to increase the number of tins used to about 1,000,000 by 1976. The cost of insecticide subsidy will be Shs. 50 million over the five years. To further encourage insecticide use, spray pumps and boom sprayers will be sold at subsidised prices to farmers. Particular emphasis will be given to boom sprayers with a target of 1,000 to be in use by the end of the Plan. The cost of the subsidy on spray pumps is covered under the provision made in paragraph 10.28 above.

10.87 Despite the failure to achieve the Second Five-Year Development Plan target, cotton yield per hectare rose significantly from earlier levels and reached the 270 to 280 kilograms per hectare range in the best years. This is still considerably below the 400 kilograms per hectare by which insecticides and good management can increase yields. The Plan III target is therefore not only achievable but, with effective implementation of the development programme and reasonably favourable weather conditions, can indeed be surpassed.

10.88 Government will take steps to improve the quality of lint and ensure provision of the additional ginning and storage capacity which will be needed. The programme for ginneries and ginnery storage is discussed in Chapter Eleven. Improvements of and additions to cotton storage at the primary co-operative society and co-operative union levels will be financed primarily by the Uganda Development Bank (paragraphs 10.32 and 10.33).

C. *Sugar*

10.89 Sugar-cane is grown on large estates attached to sugar mills and on smallholder units. The latter sell their cane to the sugar mills and to jaggery producers. Sugar consumption in Uganda, after moving somewhat erratically during the early years of the Second Five-Year Development Plan, has returned to the 6 to 7 per cent annual growth trend. Consumption in 1971 is estimated to be equal to or somewhat greater than production. During Plan III, sugar-cane production must grow by at least 35 per cent to meet the expected increase in domestic consumption and by a larger amount if exports are to be resumed and expanded. A more detailed discussion of consumption, production and exports is found in Chapter Two.

10.90 The major expansion of cane production will come from the estate and outgrowers supplying the National Sugar Works at Kinyala in Bunyoro, which is at present under construction. By 1976, cane production at Kinyala should be around 450,000 tons. There will also be an expansion of cane cultivation to meet the increased requirements of the three existing sugar mills at Lugazi, Kakira and Sango Bay. All three will increase their sugar production during the Plan. The sugar-cane target for 1976 is 2·2 million tons, which, although lower than the highly optimistic Second Five-Year Development Plan target for 1971, should adequately supply sugar mill and jaggery requirements.

10.91 The expansion of outgrower production will be assisted through the provision of medium term credit. A sum of Shs. 8 million will be allocated to the Uganda Development Bank for this purpose. The cost of developing the sugar estate at Kinyala is included in the estimates for the whole complex given in the next Chapter.

D. *Tea*

10.92 The Second Five-Year Development Plan stressed the need to diversify agricultural output in order to reduce dependence upon cotton and coffee. One of the crops selected for special attention was tea, which has made real progress over the Plan period. Output expanded from 11,200 tons in 1966 to 18,000 tons in 1970. In 1971, production has been seriously affected by the drought conditions in the early part of the year, and is likely to fall slightly below the 1970 level. Table X—5 gives some production data relating to the Second Five-Year Development Plan.

Table X—4. Tea Acreage and Production 1966–1971

Year	Area Planted	Production
	'000 hectares	'000 tons
1966	12·8	11·2
1967	14·4	11·2
1968	15·4	15·2
1969	17·0	17·6
1970	19·9	18·2

10.93 The expansion of tea acreage during the Second Five-Year Development Plan took place primarily on smallholder units, under the first phase of a special scheme administered by the Uganda Tea Growers Corporation which was established in 1966. Total acreage on smallholder units has grown from about 2,600 hectares in 1966 to some 7,000 hectares at the end of 1970, and production from these units has increased to over 6 million lb. of processed tea. During Plan III, the second phase of the Smallholder Tea Programme will be undertaken. In this phase tea acreage under the scheme will be expanded by about 10,000 hectares in Toro, Ankole, Kigezi, Masaka, Mubende, East and West

Buganda and West Nile districts, and an additional 20,000 smallholders will be covered. The project will be administered by the Agricultural Development Corporation and will involve a total development expenditure of Shs. 65·1 million for the production of vegetative propagation cuttings, leaf inspection services, field supervision and other technical services, the general administration of the project, and working capital for the smallholders and the Agricultural Development Corporation. Government's contribution towards this expenditure will amount to Shs. 63·3 million. Of this, Shs. 28·6 million will be contributed through the Uganda Development Bank for credit to co-operatives and individual smallholders associated with the Programme. The balance (Shs. 34·7 million) will be a contribution to the Agricultural Development Corporation in respect of the capital and operating costs of the Programme. The smallholders themselves will finance the remainder of the total development cost of the Programme. Plans for the development and financing of factories associated with the Programme are discussed in Chapter Eleven.

10.94 Of the total national tea acreage in 1970, 12,900 hectares were on large estates owned and operated by Agricultural Enterprises Ltd. (3,400 hectares) and private companies. No significant expansion is expected in the acreage of large tea estates during Plan III. On the whole it is expected that the total output of tea in Uganda will grow more rapidly than acreages over the coming five years, as a result of the maturing of plantings made during the Second Five-Year Development Plan and the early years of the Plan III period. The 1976 output target is 38,000 tons, more than double the level attained in 1970. Although there are continuing discussions on fixing export quotas for tea producing countries, Uganda should be able to increase its exports as production expands. Domestic tea consumption is expected to rise from 4,000 to 5,500 tons over the Plan III period.

E. *Tobacco*

10.95 Uganda produces both fire and flue cured tobacco. Flue cured tobacco prices rose during the Second Five-Year Development Plan period, making production for export a profitable activity. Output expanded over the period from 1,100 tons to some 2,500 tons in 1970. Fire cured tobacco output, despite favourable market prospects, declined drastically in 1969 and although it recovered in 1970, it was still considerably below the Plan peak of 2,000 tons in 1967.

10.96 An intensive smallholder development programme for flue cured tobacco was started in 1970. Over the four-year period up to 1974, an additional 1,500 hectares involving 6,000 farmers will be brought into production. The new tobacco growers will market their output through 54 tobacco co-operatives. The development expenditure on the project during Plan III will be Shs. 50·9 million. Part of this expenditure will be financed directly by the co-operative societies and other smallholders. Government's financial contribution will amount to Shs. 36·3 million. The bulk of this (Shs. 20·4 million) will be for credit (through the Uganda Development Bank) to smallholders for the purchase of inputs, the establishment of fuel plantations, and the construction of barns, baling centres, co-operative offices and storage facilities. Shs. 4·4 million of

Government's contribution will finance the construction, by the Produce Marketing Board, of a tobacco warehouse in Kampala. The balance of Shs. 11·5 million will cover the general administrative costs of the Project, which are to be borne directly by Government.

10.97 Marketing prospects for fire cured tobacco are excellent, and substantially more than present output can be sold without difficulty. An intensive development programme has been undertaken in Mubende and Bunyoro districts, and a tripling of output from less than 1,000 tons in 1970 to 3,000 tons in 1976 is likely to be achieved. The development cost of this programme is Shs. 1·8 million over the Plan period.

F. *Groundnuts*

10.98 The Second Five-Year Development Plan called for increased production of quality groundnuts. It was planned to construct twenty grading units to handle 10,000 tons of groundnuts per annum, primarily for export. With the multiplication of improved seeds, and increased inputs of fertilizer and insecticide, it was expected to increase output per hectare from 800 to 1,600 kilograms. The export target was 10,000 tons by the end of the Plan. Plan achievements fell far short of targets. Exports declined from 9,000 tons in 1966 to 750 tons in 1970, and domestic market prices rose, indicating that output expansion fell short of the expansion of domestic demand. The shortfall can be attributed to the slow progress of the seed improvement programme and lack of farmer response to improved cultivation techniques.

10.99 With the improvement and expansion of the seed multiplication programme, yields should rise. Special attention will be given to groundnut production by the extension service, particularly in conjunction with the cotton development scheme, since the two are frequently grown in rotation. Additional shelling units will be installed by the co-operative movement as needed, to improve the quality of the shelled nuts. An export target of 10,000 tons has been set for 1976. The cost of the capital improvements is Shs. 1·5 million, which is again included in the allocation to the Uganda Development Bank for onlending to co-operative unions for the purchase of shelling units.

G. *Cocoa Beans*

10.100 Cocoa beans are one of the most important perennial crops grown in the tropics. Like tea, it is grown by a relatively small number of countries. Ghana, the largest producer, supplies over one-third of the world market. Prices reached a very high level in early 1970 and have since fallen, but at current and even lower levels of prices, cocoa is an economically remunerative crop in Uganda, and there is already considerable farmer interest in its production. The Second Five-Year Development Plan envisaged an expansion of cocoa acreage by 10,000 hectares, but less than 1,500 hectares of new planting were undertaken. In Plan III, emphasis will be placed on consolidating the existing cocoa acreage and cultivation practices. Expansion in plantings will be limited to two thousand hectares annually. A study of the cocoa industry will be made, and if market prospects are favourable plantings will be increased beyond this level. The total acreage under cocoa by the end of the Plan period will be

13,000 hectares. Additional fermentaries will be established to process the increased output. Studies will also be undertaken on the feasibility of cocoa processing and chocolate production in Uganda. The capital cost of the expansion programme will be Shs. 10 million.

H. *Citrus*

10.101 Citrus fruits in Uganda have traditionally been marketed by smallholders who have a few trees on their farms and produce a poor quality product. To improve quality and expand output, three citrus farms were established during the Second Five-Year Development Plan. These are at Ongom in Lango (40 hectares), Kiige in Busoga (60 hectares) and Odina in Teso (60 hectares), making a total of 160 hectares. Marketing of fruit from these farms was started in 1971 and seedlings were made available on sale to farmers. The future of the citrus programme depends upon markets for the crops. Early in Plan III, a market study will be undertaken and an expansion programme will be prepared in accord with market prospects. The Third Plan development cost of the three citrus farms will be Shs. 2 million, mainly for completion of buildings and irrigation works.

J. *Kenaf and Silk*

10.102 Although the Second Five-Year Development Plan called for an expansion of sisal production, the programme was not implemented because of declining prices for the fibre. An alternative fibre source which has been under study is kenaf, to be mixed with imported fibres for the production of bags and sacking. An initial trial planting at the Namalu Prison Farm in Karamoja was undertaken in 1970. The quality of the crop will be assessed and, if it proves acceptable for sacking purposes, a kenaf production programme will be implemented. This calls for an initial planting of 40 hectares with expansion to 2,400 hectares, which would meet virtually all of the fibre requirements for bag production. The Plan III capital cost of the programme is Shs. 17 million.

10.103 Trial plantings of mulberry trees from Japan were started late in the Second Five-Year Development Plan, after a survey had indicated that Uganda's climatic conditions were suitable for silk production. A phased programme of expansion of mulberry plantings, grafting with the varieties best suited for silkworm rearing, and production of the cocoons, will be implemented over the Plan III period at a cost of Shs. 500,000.

K. *Rice*

10.104 A limited quantity of rice, about 2,000 tons, is grown in Uganda every year. This is considerably less than domestic consumption, which is estimated at 10,000 tons. During the Second Five-Year Development Plan, field trials were conducted at the Kibimba Swamp Reclamation Project. The Plan III target is to produce sufficient rice to meet domestic consumption requirements and, if market potential exists, to produce an export surplus as well. There are several areas being considered for large-scale rice production. One of these is the Kibimba Swamp Reclamation Scheme, where preparatory ground work has been carried to an advanced stage. The estimated cost of developing the 800 hectares at Kibimba is Shs. 10·0 million over the Plan III period. Another rice-growing project is being prepared for the Nyakatonzi (Nyamusagani) area in Toro District, and it is to be undertaken by the Agricultural Development Corporation. The Prisons Department is also planning to initiate rice production on its Mubuku Prison Farm. The costs of this development will be met out of the provisions shown in paragraph 10.39 above. The Faculty of Agriculture at Makerere is now undertaking a trial programme, in which over 100 varieties of rice will be tested under irrigation and natural rainfall conditions to determine those best suited to Uganda.

L. *Other Food Crops*

10.105 Haricot beans, which are the raw material for baked beans, have a ready export market. A disease-free seed developed in East Africa is available and will be used to introduce this crop. The Plan III target is to set-up 3,500 hectares under cultivation with an output of 10,000 tons, most of it for export. The cost of the project, including colour sorting equipment and other facilities, is Shs. 2·5 million.

10.106 Soya bean production has had a chequered history in Uganda. The crop gained some importance at the beginning of World War II, and output increased during the 1940's to over 4,300 tons by the end of the decade. Market conditions subsequently deteriorated and production declined. Market prospects now appear brighter as a result of the expanding use of soya bean for human consumption and animal feed. In order to take advantage of the improved market conditions, soya bean acreage will be expanded to 4,000 hectares and it is expected that output will reach 32,000 tons by 1976.

10.107 Uganda's wheat imports totalled 20,000 tons in 1970. Domestic production is estimated at 4,500 tons and is concentrated in Sebei, Kigezi and Toro districts. The Plan III target is to double output as a step towards the longer-term goal of self-sufficiency. Studies will be undertaken to determine the areas in which wheat can be profitably grown and the varieties most suited to Uganda. A long-term development plan will be prepared and its implementation will be started over the Plan period. Another food crop which will be given increased attention is sim-sim. Shs. 1·0 million is allocated for the expansion of sim-sim production on the basis of a special development programme.

10.108 The staple food crops are plantains (matoke), millet, maize and cassava. Production of these crops must grow at a rate in excess of the rate of population increase if self-sufficiency is to be maintained with stable prices. To achieve this a number of steps will be taken. Improved maize and millet seeds will be distributed through the seed multiplication programme. Research on plantains is underway at Makerere University, and the results will be made available to farmers through the extension service. The cotton development programme is also concerned with expanding the production of crops which are grown in rotation with cotton. These include millet in the north and maize in the south. Depending on actual market conditions prevailing, Government will also give assistance to encourage the production of an export surplus in some of the staple food crops. The expanded production of these crops for use as raw materials in local food processing industries will also be promoted.

10.109 A horticultural development programme will be implemented during Plan III. As a first step, vegetable seeds will be purchased in bulk, tested for germination, and packaged for sale to farmers. Field testing of vegetables will be undertaken and those found suitable for Ugandan conditions will be identified. By the end of the Plan period, locally produced seeds will supply a large part of farmer requirements. Horticultural products with an export potential will be given special attention. Uganda already air freights a variety of vegetables and other horticultural products to European markets. Planned action to facilitate the expansion of this type of traffic is described in Chapter Fourteen. The horticultural production programme is estimated to cost Shs. 3·0 million in development expenditure during Plan III.

M. *Other Crops*

10.110 There is a considerably wide range of agricultural products which offer a development potential. Uganda has, in the past, considered the production of pyrethrum, but, with rapid growth of inorganic insecticides, market prospects have been discouraging. Pyrethrum use is expected to grow as a result of the world-wide campaign against certain inorganic insecticides which have a long-term residual effect. If prices recover, a programme for pyrethrum production will be initiated.

10.111 Research will be continued on local plants and herbs with medicinal qualities. One of the more promising is senna, for which a feasibility study will be made. Bagarua, a plant which grows wild in Uganda, will be investigated as a possible tanning agent.

N. *Forestry*

10.112 The forest reserves of Uganda comprise a total of 1·6 million hectares, about 8 per cent of the country's total land and swamp areas. The reserves contain over 500 tree species of which about 70 are currently exploited for timber. A little less than 50 per cent of the total forest reserve is closed high forest, and the rest is mainly savannah woodland. Most of the forest reserve is public property, although there are an estimated 0·1 million hectares of private forests.

10.113 The forests of Uganda serve varied purposes. They perform a very important role in protecting the soil and crops from erosion and wind, increasing underground water catchments, the preservation of wildlife and in providing recreational facilities. The most important economic value of forests, however, is their output of fuel-wood, logs and poles for use in construction, industry and as a source of energy. The production of roundwood (logs, poles and fuel-wood) rose by about 50 per cent over the Second Five-Year Development Plan period, as is shown in Table X—6. The largest increase occurred in fuel-wood production, which doubled over the period. This fuel-wood is used mainly for household cooking purposes, although a proportion of total production also goes into industrial uses (such as sugar milling, fish smoking, tea curing and charcoal production), their expansion contributing to the growth in fuel-wood production. The bulk of poles produced is used for house constructio electric transmission lines, copper mining, and construction scaffolding. The slow growth that has been recorded in the production of poles over the last five years is attributable to the increasing use of substitutes in house construction. Of all forest products, logs are the most valuable component. Log production (mainly hardwood) expanded by over 25 per cent, over the period of the Second Five-Year Development Plan, with all the output going into saw milling and thence to the various wood utilising industries. In addition to the quantities shown in Table X—6, there is a large volume of unrecorded production of poles and fuel-wood (estimated at 0·6 and 9·0 million cubic metres, respectively) for subsistence activities.

Table X—5. Roundwood Production
(selected years)

('000 cubic metres)

Product	1966/67	1970/71	1975/76
Logs	144	175	250
Poles	11	13	15
Fuelwood ..	99	200	700
TOTAL ..	254	388	965

10.114 Future demand for wood and wood products for final and intermediate use is expected to increase rapidly with the growth of population and income levels. The demand for logs alone is estimated to be around 300,000 cubic metres by 1980, and to exceed 500,000 by 1990. The main specific objective of forestry development in Uganda is to ensure that output expands sufficiently to meet demand in the future and, as much as possible, make a start in the exploitation of the lucrative foreign markets for wood products. The development of forestry production requires fairly long-term planning. This is because the measures that affect production (e.g. plantings, forest treatment) take a very long time to bear results. Some hardwood species take as long as 80 years to mature. The fact that present programmes have to be based on expected market conditions several decades in the future makes planning for forestry development a very difficult task, at best. Over the period of Plan III, otal roundwood production is expected to more than double, from 388,000 ubic metres in 1970/71 to almost 1·0 million cubic metres by 1976. The elative share of softwood logs in total log production will rise from the resent 6 per cent or so to about 40 per cent. Fuel-wood and pole production or subsistence purposes is forecast to amount to over 50 times the volume of ecorded commercial production during Plan III.

10.115 Forestry development in Uganda has followed two main lines—the eatment of natural forest and afforestation of new areas—both of which will e continued during Plan III. Natural forest treatment, which absorbs the ajor part of the resources of the Forestry Department, consists of thinning d weeding useless species out of the forests in order to promote the growth the commercially valuable trees. During the Second Five-Year Development an, 18,000 hectares of natural forest were treated in this way. This represented slightly over 50 per cent of the Plan target. Over the Plan III period, the target is to treat 34,000 hectares of forest. The cost of this programme is borne on Government's recurrent budget.

10.116 Afforestation is confined to plantings of softwoods because of their relatively short maturing period. It is estimated that during the Second Five-Year Development Plan about 4,100 hectares of new softwood forests were planted, compared with the Plan target of 5,800 hectares. The Plan III target is to establish a minimum of 10,000 additional hectares of softwood forests, an average of 2,000 hectares per annum. The planting will be spread over thirteen locations in twelve districts, with an appropriate concentration in areas near the main urban markets for roundwood. The Plan III provision for the softwood afforestation programme is Shs. 14·5 million.

10.117 A long-term master plan will be prepared to guide the activities of the Forestry Department. The Plan will encompass not only an assessment of existing resources and their development potential, but it will also delineate areas to be maintained as natural forest, indicate areas for the establishment of forest plantations, identify possible forest product-based industries and other forms of wood utilisation, explore the possibilities of using the Community Development Programme for afforestation projects, and recommend methods for more effective management of the forest estate.

10.118 To facilitate forest development, management and harvest, it is necessary to build roads to serve the various forest areas, and Shs. 1·5 million is provided for this in Plan III. This provision is additional to that made for the construction of public access roads to forest reserves (*see* Chapter Fourteen). It is also additional to the cost of roads to be constructed as an integral part of the setting up of new softwood plantations. A further Shs. 1·0 million is provided for the procurement of special equipment urgently needed by the Forestry Department for its routine operations.

O. *Beef and Dairy Production*

10.119 Over the first four years of the Second Five-Year Development Plan, the number of cattle in Uganda has increased from 3·7 to 4·3 million head, an annual average rate of 3·6 per cent. Thus the Plan forecast of just over 4 million head in 1976, had been exceeded before the end of the Plan period.

10.120 A major factor responsible for the greater than anticipated increase in cattle numbers over the past five years has been the animal disease control programme undertaken by Government. During the Second Five-Year Development Plan, the major efforts in this connection were the mass vaccination campaign against rinderpest and the extensive tick control work, mainly through the installation of cattle dips. Over the past five years, about 700 cattle dips and spray races were constructed, most of them for use for beef cattle. The rinderpest campaign, which is part of an international effort, was started in 1968 and has now covered most of the country so effectively that there has been no out-break of the disease in recent years.

10.121 Despite the achievement of disease control programmes in the past, cattle diseases still pose a very serious economic problem in Uganda. The major diseases are east coast fever, foot-and-mouth disease and contagious bovine pleuro-pneumonia. The control and, where possible, eradication of these diseases are basic to Government's strategy for the development of the livestock industry. The campaign against east coast fever and other tick-borne diseases has received enthusiastic support from the farmers, and it is to be greatly expanded during Plan III. In the future, emphasis in tick control work will be placed on the construction and use of dip tanks rather than spray races, as the former have been found to be more effective, despite their substantially higher capital cost. An additional 1,200 dip tanks will be installed during Plan III, and the cost of construction will be shared between Government and the farmers. The total cost to be borne by Government on this programme will be Shs. 30 million. Foot-and-mouth disease is endemic within the country, and periodic epidemics of the disease necessitate the imposition of quarantine measures which entail substantial losses to farmers. Although the disease can be prevented by prophylactic shots, the vaccine is expensive. A detailed analysis of the costs and benefits of foot-and-mouth disease control will be undertaken and if the returns are demonstrated to substantially exceed costs, a phased programme of mass vaccination will be introduced. A tentative allocation of Shs. 20 million is made for foot-and-mouth disease control during Plan III. The Mobile Epidemic Disease Control Unit of the Department of Veterinary Services will be expanded during the Plan period, and a development expenditure allocation of Shs. 2·6 million is made for this. A further Shs. 2·0 million is provided for the continuation of the rinderpest campaign throughout the Plan III period.

10.122 The programme for the improvement and expansion of stock routes and quarantine facilities will be continued in order to reduce the danger of animal diseases being spread through cattle movements. Facilities at eight quarantines will be expanded, and two new stations are to be established. The capital cost of the programme during Plan III is estimated at Shs. 2·0 million.

10.123 Despite the rapid expansion in the national cattle herd, the supply of meat has not kept pace with demand, as is evidenced by rising beef prices during the Second Five-Year Development Plan. This is, in large measure, due to the fact that many cattle owners, particularly those in Karamoja, still regard cattle as symbols of status and wealth, so that increases in numbers of cattle owned by these people have virtually no impact on meat supply. The cattle population is expected to increase further to about 5 million by 1976. The number of cattle slaughtered will rise at a faster rate than the overall cattle population because the proportion held by commercial farmers will increase. In addition, since the average weight of the animals is also rising, meat supply will increase at an appreciably faster rate than cattle population. Despite this, meat prices are likely to continue their upward trend because, due to the high income elasticity of demand for meat, total demand is expected to grow faster than total supply.

10.124 The cornerstone of the programme for the development of beef production is the expansion of ranching schemes. The number of commercial beef ranches set up during the Second Five-Year Development Plan exceeded the Plan target by a considerable margin. By the end of 1969, 110 ranches, averaging 1,220 hectares, were in operation. These were owned and managed by individual farmers, co-operatives, private companies, or Uganda Livestock Industries Ltd.—a subsidiary of the Uganda Development Corporation. Also, during the Second Five-Year Development Plan, an investigational beef ranch was established in Aswa Valley in Acholi District.

10.125 During Plan III, the number and total acreage of commercial ranches will be more than doubled. Further development on the Ankole/Masaka Ranching Scheme will involve the establishment of an additional 63 ranches on the Scheme. Government will contribute Shs. 25 million towards the cost of this expansion, and the balance (Shs. 5 million) will be borne by the farmers themselves. Outside the Ankole/Masaka Ranching Scheme, the target is to set up, during Plan III, 140 new ranches averaging 1,440 hectares each. The total cost of this project is estimated at Shs. 80 million, of which Government will contribute Shs. 40 million. The portion of Government's contribution which will be allocated to credit to ranchers (Shs. 20 million) is included in the financial needs of the Uganda Development Bank. In addition to these two major ranching projects, Shs. 3 million is provided for miscellaneous developments at the Mbarara Stock Farm and for the completion of on-going works at other ranches in various parts of the country.

10.126 Dairy development during the Second Five-Year Development Plan was in line with the Plan target of achieving self-sufficiency in milk and milk products in the late 1970's. Although fluid milk production undoubtedly increased over the Plan periods firm data are available only on purchase by the Dairy Corporation and the other pasteurisation plants at Entebbe, Kamuli and Fort Portal. Imports from Kenya at present provide about one-half of the pasteurised milk consumption in Uganda. The 1976 target is a reduction of the import ratio to 20 per cent.

10.127 Local cows give very low milk yields and are therefore not economic for commercial dairying. As a means of boosting national milk production, exotic dairy cattle have been imported both from Kenya and outside East Africa, the latter almost wholly for the Government dairy breeding farms. Exotic calves and cows were estimated to number 20,000 at the end of 1970. During Plan III, 2,500 additional exotics will be imported by Government at a cost of Shs. 20 million. Additional milk animals will also be purchased from Kenya. The total number of exotic milk cattle in Uganda, including calves, will be about 40,000 by 1976. The number of dairy farms will increase from just over 1,000 in 1969 to 1,600 in 1976. To assist the farmers to achieve this development, medium and long term loans totalling Shs. 20 million will be made by the Uganda Development Bank, and Government provision for this has been covered in the estimate of financial requirements of the Bank during Plan III (*see* paragraph 10.23).

10.128 As an integral part of the dairy development effort, Government has established four dairy breeding farms at Njeru near Jinja, Nakyesasa near Kampala, Mbarara Stock Farm, and Kasolwe near Kamuli. A calf-rearing unit has also been set up in Bugerere County of East Buganda. Another dairy breeding farm is under construction at Buyama in West Buganda. During Plan III, six additional farms will be established in other areas with a good dairy potential. To ensure that Government resources are most effectively utilised, a long-term dairy development programme will be prepared identifying the areas with good potential in terms of climatic and market conditions. The dairy industry must have a more geographically orientated focus than in the past if processed milk is to be made available to consumers at minimum cost. The total Plan III development cost for dairy farms is Shs. 25 million.

10.129 The artificial insemination service, although it also serves the beef industry, has worked primarily for the benefit of dairy farmers. Achievement fell far short of the Second Five-Year Development Plan target of 40,000 inseminations annually, mainly because of limited staff. During Plan III, 80 additional insemination centres will be established and the main centre at Entebbe will be expanded. The total development budget cost of the artificial insemination programme over the Plan period is estimated at Shs. 3·0 million. The cross-breeding activities of the Ministry of Animal Industry, Game and Fisheries and the Ministry of Agriculture and Forestry will be expanded and cross-bred calves will be sold to farmers in greatly increased numbers.

10.130 The Dairy Corporation installed some 60 milk cooling and collecting centres during the Second Five-Year Development Plan. In some instances the coolers were poorly placed so that their actual milk collections have been only a fraction of their capacity. The long-term development programme for the dairy industry mentioned in paragraph 10.128 will outline a rationalisation programme for the reallocation of poorly sited coolers. It will also identify areas where additional coolers are required. It does not appear that more than 20–30 additional units will be necessary during Plan III. The cost of the rationalisation and expansion programme, amounting to Shs. 1 million, will be financed by Government through the Livestock Development Corporation.

10.131 A central store in Kampala will be completed and 15 new sub-stores built to distribute dairy supplies. The Plan III development budget provision for this dairy supplies programme is Shs. 6·6 million. This includes the cost of supplies and other recurrent costs of operation during the first two years of the programme. In subsequent years, these costs will be transferred to the recurrent budget.

10.132 In order to improve livestock marketing, a programme for the development of cattle markets will be undertaken during Plan III. Large weighbridges and water supplies will be installed at seven terminal markets in the country. Auction rings and holding pens will also be constructed at these markets. At 30 minor markets, smaller weighbridges and water supplies will be provided. Even at the smaller markets, sales by auction will be actively encouraged, and auction rings will be installed as needed. The Plan III provision for various improvements to cattle markets is Shs. 2·5 million.

P. *Pigs*

10.133 The number of pigs in Uganda increased from 37,000 in 1966 to 63,500 in 1970. The 1970 count, however, was below the previous year's. The domestic market for pork is expanding at a considerable rate, as a result of the general growth in incomes, urbanisation, and the gradual but steady weakening of the prejudices and traditions which militate against pork consumption. Production, on the other hand, appears likely to grow more slowly during Plan III than it did during the Second Five-Year Development Plan. In order to have a better appraisal of the growth potential of the pig industry in the country, Government has carried out a full market investigation together with a feasibility study of a pork processing plant. The main conclusion of these investigations is that there is considerable scope for expanding pig farming in the country, and that such an expansion in an organised fashion is a pre-requisite for a viable pork processing industry. Government plans to promote the development of pig farming primarily through the establishment of breeding units for the production of breeder pigs for sale to farmers. During Plan III the pig breeding unit at the Entebbe Livestock Experimental Station will be expanded, and additional units will be set up in areas where farmers show an interest in pig farming. A Plan III provision of Shs. 1·0 million is made for all these developments.

Q. *Small Stock*

10.134 Goats are an important source of animal protein and milk and offer a potential for rapid expansion. Actual numbers fluctuated around an average of 1·8 million head during the Second Five-Year Development Plan. Recent development efforts were concentrated on milk producing varieties for which there was very little farmer enthusiasm. In Plan III, a fact-finding goat farm will be established in 1,500 hectares in Ankole District. Among the matters to be studied on the farm are crossbreeding and the effects of placing goats on commercial beef ranches. If the two animals can be successfully integrated, meat production from the ranches would be increased. The goat development programme will cost Shs. 1·2 million.

10.135 Demonstration sheep farms were established and stocked with wool bearing varieties during the Second Five-Year Development Plan. Since there has been very limited interest by the local farmers, the sheep farms will be shifted to other uses during the Plan III period.

R. *Bee Keeping*

10.136 The main areas in which there has been interest in bee keeping are Teso, Kigezi and Bukedi. Annual production of honey and beeswax is estimated at 420 and 35 tons respectively. The relevant Plan III targets are 2,000 tons of honey and 90 tons of beeswax. Two centres for the promotion of bee keeping have been established, one each in Teso and Kigezi, and sub-centres have been set up in other districts. The development cost of the bee industry during Plan III will be Shs. 500,000, mainly in respect of subsidies to farmers for the purchase of improved-type hives, and for setting up additional demonstration units.

S. *Poultry*

10.137 Poultry development has moved ahead at a rapid pace during the Second Five-Year Development Plan. Despite the expansion of incubating apacity, there is still a considerable importation of day-old chicks. The Plan III arget is to eliminate the importation of chicks by expanding the facilities o produce 1·5 million day-old chicks per year. The layer section and incubator f the poultry unit will be moved from the Entebbe Livestock Experimental tation to minimise the dangers of disease. The capital cost of the expansion vill be Shs. 2·5 million. A major problem facing poultry production is the cost f feed. Every effort will be made to develop indigenous production of feed naterials so as to reduce costs to the farmers.

T. *Hides and Skins*

10.138 Hides and skins are an important by-product of meat production in Jganda. During the Second Five-Year Development Plan, demonstration and xtension work on the preparation and treatment of hides and skins were to be xpanded, and a tannery constructed. Achievement fell short of target. A eather section was established in the Veterinary Training Institute, but only ne demonstration centre was set up. During Plan III, four additional demonstraion centres will be established. The hides and skins section of the Veterinary Training Institute will be expanded to meet the need for both demonstration vorkers and tanners. Medium term loans will be made available by the Jganda Development Bank to encourage the development of rural tanneries. Hide and skin co-operatives will be organised to assist the farmers to mprove their handling of hides and skins and thus get a better price for their roduct. A small departmental tannery unit will be established which will also rocess skins for the Game Department. The cost of all these developments vill be Shs. 1·6 million.

U. *Fisheries*

10.139 Fish production substantially exceeded the Second Five-Year Development Plan target of 104,000 tons, and totalled 125,000 tons by 1970. The mprovement of fishing villages and marketing facilities did not progress as apidly as planned because of limited funds. The production target for 1976 s 171,000 tons, the increase to be obtained mainly from new fisheries on Lake Victoria with the introduction of commercial trawling and from the expanding Nile perch fishing activity on Lake Kyoga. The economic potential of this latter ource will be the subject of a special investigation early in the Plan III period.

The programme for fisheries expansion has four major aspects:—

(i) the development of a deep water fishery in Lake Victoria;

(ii) the improvement of fish landing and marketing facilities;

(iii) the expansion and diversification of fish production in lakes, ponds and reservoirs; and

(iv) quality control including the study of pollution and the effect of pesticides on fish.

10.140 Investigations undertaken during the Second Five-Year Development Plan have demonstrated that there is a considerable unexploited deep water fisheries potential in Lake Victoria. To tap this resource, a trawling fleet of 15 vessels will be established under co-operative and private management. To accommodate the trawler fleet, four harbours and ancillary facilities will be needed. The boat building facilities will be expanded to produce the trawler fleet which is planned. The Government cost of this programme, including subsidies for the trawlers, will be Shs. 4·0 million.

10.141 The improvement of fish landing and marketing facilities is needed to reduce spoilage and costs. The improvement programme will entail the setting up of concrete piers, fish sheds, drying facilities, ice plants, and improved accesses to fishing villages. Additional rural markets will also be built. Shs. 2·4 million is provided for all these works during Plan III. Plans are underway to establish a central wholesale fish market in Kampala. The project is related to the proposals to expand deep-water fisheries production in Lake Victoria, as the anticipated increase in fish catch cannot be distributed satisfactorily to the several small retail fish markets in Kampala. The central wholesale market is established to cost Shs. 2·0 million, and the expenditure will be from Government's contribution to the LALF described in paragraph 7.41.

10.142 Efforts will be intensified to exploit new species of fish in the various lakes of Uganda. To increase fish production and consumption in areas which cannot easily be supplied from lakes, departmental fish farms and ponds will be constructed and dam improvement will be undertaken. Two farms of 100 acres each will be constructed and studies will be made to determine their commercial viability. If the programme is commercially feasible, additional farms will be constructed. Fish production will be encouraged in the valley tanks and other water reservoirs throughout the country. Crocodile reserves will be established to expand crocodile numbers and to provide a source of skins. The Plan III cost of the programme to expand fish production from farm sources and to exploit new species in the lakes will be Shs. 2·8 million.

10.143 There is growing worldwide concern about the contamination of fish through water pollution. The Fisheries Department will expand its laboratory facilities to regularly check the fish caught in Uganda to ensure that they are safe for human consumption. The effect on water and fish of the use of insecticides will be monitored. Uganda will, therefore, be able to avoid the serious damage which has occurred from indiscriminate use of insecticides in the developed countries.

10.144 To enable the Fisheries Department to undertake its development programmes, three launches for demonstration and experimental work will be provided. Two of the launches are already under construction, and a third will be built, at a cost of Shs. 500,000. Two high speed patrol launches for control and licensing work will also be provided at a cost of Shs. 200,000.

VI. Some General Administrative Matters

10.145 The proper administration of Government efforts for rural development is a cardinal requirement for expanding rural production. In the description of the various Government programmes and projects in the preceding sections of this Chapter, the relevant institutional arrangements are outlined and the planned changes in these indicated. In this Section, several broader administrative measures pertaining to the development of the entire rural production sector, rather than particular programmes, are mentioned. The Section also covers capital projects for the enhancement of the general efficiency of the main Government agencies engaged in the promotion of rural production.

10.146 There are several Government Ministries concerned with rural development. In addition to the Ministries of Agriculture and Forestry, Commerce and Co-operatives, and Animal Industry, Game and Fisheries, the Ministries of Culture and Community Development have a major interest. Furthermore, rural facilities are built and operated by the Ministries of Health and Education. To a certain extent, the dangers of duplicating efforts obviously exist. The important objective in this regard is to organise the activities of the various agencies in such a way that the maximum benefit accrues to the rural sector from the total Government effort. The measures planned to obviate duplication of effort relate not only to the structure and methods of operation of individual agencies, but also to the co-ordination of their several efforts, and some reallocation of responsibilities.

10.147 The planned integration of all rural extension and other rural services into a unified inter-ministerial work programme has been discussed in Chapter Seven. This is perhaps the most important institutional project to be embarked upon for the improvement of the administration of rural development. However, its full implementation will be a long-term undertaking, extending far beyond the Plan III period. A related measure for implementation early in Plan III will be the introduction of detailed annual work programmes for the field staff of the various Ministries engaged in rural development. These programmes will, as much as possible, be based on quantitative achievement targets, and will be regularly reviewed by District Teams/Planning Committees (*see* Chapter Nine) in order to ensure that they complement rather than duplicate or conflict with one another.

10.148 Another set of measures to be taken concerns the organisation of the planning activities in individual ministries. Of the two Ministries directly responsible for the promotion of rural production, only the Ministry of Agriculture and Forestry has a functioning specialised Planning Division. During Plan III, this Division will be greatly strengthened, and a similar unit will be established in the Ministry of Animal Industry, Game and Fisheries. In close collaboration with the Ministry of Finance and Planning, these two units will be responsible for the technical aspects of the planning and co-ordination of production activities in the rural sector. More details of the functions of Ministerial Planning Units are given in Chapter Nine. An Agricultural Planning Committee is to be established. The Ministry of Finance and Planning will chair the committee, which will have the representatives from the Ministry of Agriculture and Forestry, the Ministry of Animal Industry, Game and Fisheries, and the Ministry of Commerce and

Co-operatives. The prime purpose of the Committee is to facilitate the co-ordinated development of the agricultural and livestock sectors.

10.149 The main Government corporations directly engaged in the production, processing and marketing of agricultural products are the Uganda Development Corporation (through several of its subsidiaries), the Uganda Tea Growers Corporation, the Dairy Corporation, the Coffee Marketing Board, the Lint Marketing Board and the Produce Marketing Board. In addition, Government owns a majority interest in the National Sugar Works and is in the process of acquiring an interest in the other major sugar estates and factories in the country. As part of the general reorganisation of parastatal organisations, there will be streamlining of the various institutional arrangements through which Government participates in commercial agricultural production and marketing. The planned changes in the operational policies of the three Marketing Boards have been mentioned in paragraphs 10.29 to 10.31 above. A more fundamental change will be the creation of two new corporations, the Agricultural Development Corporation (ADC) and the Livestock Development Corporation (LDC). After its creation, the ADC will take over and manage all Government commercial interests and enterprises in the field of crop production and processing. The LDC will have similar responsibilities with respect to meat, dairy and fisheries production, processing and marketing. Thus, all existing Government commercial enterprises in these various activities will be integrated into these two new corporations.

10.150 In the past, several of the public corporations operating in the agricultural sector have had a dual responsibility—the conduct of commercial activities and the regulation of the respective sub-sectors in which they operate. This has sometimes led to considerable difficulties, since it often appeared that the regulatory powers were used to promote commercial interests. In order to avoid possible conflicts of interests in the future, Government will review the legislation governing the various corporations involved and will limit the responsibilities of these bodies to commercial activities. Regulatory and control powers over the relevant fields of activity will remain the domain of the ministry concerned. In particular, the inspection and grading of milk sold by farmers will be the responsibility of the Department of Veterinary Services.

10.151 In addition to the specific programmes described in this Chapter, and the financial provision made for their execution, there is a pressing need to increase the general administrative facilities (office accommodation, housing, and transport vehicles) of the various Government departments engaged in rural development work. The urgency of the situation results from both the planned expansion of the activities of the departments and the totally inadequate level of facilities at present available. The general provision for Government office accommodation which is made in Chapter Twenty-one is intended to cover the requirements of all ministries and departments. Similarly, the Plan provision for pool housing, also in Chapter Twenty-one, will cater for the needs of all ministries equally. However, in the case of the ministries engaged in rural development work, additional housing needs to be made available for use by field staff in places where pool housing is not available. The need for this type of institutional housing is so great that it will not be possible, during Plan III, to house all field staff adequately. A blanket provision of Shs. 25·0 million and Shs. 10 million is made for institutional housing for the Ministry of Agriculture and Forestry and the Ministry of Animal Industry, Game and Fisheries, respectively. The specific allocations to the several departments will be worked out from year to year in accordance with relative needs and priorities. The transport difficulties of headquarters staff will be alleviated as a result of the recent re-introduction of the vehicle hire-purchase scheme for Government employees. The vehicles required for field work, however, are unlikely to be purchased for personnel use. The Plan III provision for the purchase of vehicles for the Ministry of Agriculture and Forestry is Shs. 2·0 million, and for the Ministry of Animal Industry, Game and Fisheries, Shs. 1·5 million. Requirements for the Ministry of Commerce and Co-operatives in respect of the housing of its field staff and vehicles, will be finalised early in the Plan period. The housing and vehicles covered in this paragraph are additional to similar facilities provided for in the cost estimates of the various programmes and projects discussed elsewhere in this Chapter.

Summary of Government Development Expenditure

10.152 The Plan III Government development expenditure on the projects described in this Chapter amounts to Shs. 878·3 million and is summarised by major programmes in Table X—6.

Table X—6. Rural Production—Government Development Projects*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	SEED MULTIPLICATION PROGRAMME		23·3	23·3
10–1	Seed Multiplication Phase I	MAF	2·0	2·0
10–100	Seed Multiplication Phase II	MAF	21·3	21·3
	AGRICULTURAL MECHANISATION PROGRAMME		81·0	31·0
10–2	Tractor Hire Service Operating Costs	MAF	80·0	30·0
10–3	Ox Cultivation	MAF	1·0	1·0
	DAMS AND VALLEY TANKS PROGRAMME		20·0	13·0
10–76	Dams and Valley Tanks	MMWR	20·0	13·0
	RURAL SHORT-TERM CREDIT PROGRAMME		15·0	12·0
10–4	Contribution to Uganda Development Bank—Short-term Agricultural Credit	MFP	15·0	12·0
	RURAL SUBSIDY PROGRAMME		12·5	8·5
10–12	Crop-farming Subsidies	MAF	10·0	6·0
10–13	Livestock Equipment Subsidies	MAIGF	2·0	2·0
10·92	Fisheries Equipment Subsidies	MAIGF	0·5	0·5
	GENERAL CROP STORAGE PROGRAMME		36·0	36·0
10–93	Contribution to UDB—Primary Society Storage Facilities	MFP	10·0	10·0
10–94	Contribution to UDB—Co-operative Union Storage Facilities	MFP	6·0	6·0
10–8	Contribution to PMB—General Storage Facilities	MFP	20·0	20·0
	TSETSE ERADICATION PROGRAMME		40·0	40·0
10–16	Tsetse Eradication	MAIGF	40·0	40·0
	IRRIGATION AND RECLAMATION PROGRAMME		17·8	14·3
10–17	Mubuku Irrigation Development	MAF	10·0	10·0
10–19	Labora and Atera Irrigation Schemes	MAF	2·0	2·0
10–20	Omunyal and Okokorio Irrigation Schemes	MAF	2·5	—
10–21	Swamp Reclamation, Kigezi and other areas	MAF	3·0	2·0
10–22	Agoro Irrigation Scheme	MAF	0·1	0·1
10–23	Assistance to Misc. Irrigation Works	MAF	0·2	0·2
	PRISON FARM DEVELOPMENT PROGRAMME		22·0	15·0
10–18	Mubuku Prison Farm	MIA	10·0	5·0
10–27	Development of other Prison Farms	MIA	12·0	10·0
	BUSH CLEARING AND ORGANISED SETTLEMENT SCHEMES PROGRAMME		53·5	31·5
10–25	Co-operative Settlement Schemes	MAF	3·0	3·0
10–26	NUYO Agricultural Settlement Scheme, Bunyoro	MCCD	4·0	2·0
10–29	Bush clearing units—replacement of equipment (Department of Agriculture)	MAF	30·0	10·0
10–28	Bush clearing units—operating costs (Department of Agriculture)	MAF	15·0	15·0
10–14	Bush clearing units—operating costs (Department of Veterinary Services)	MAIGF	1·5	1·5
	AGRICULTURAL AND LIVESTOCK RESEARCH PROGRAMME		28·5	20·8
10–30	Expansion of Agricultural Research sub-stations	MAF	1·0	1·0
10–31	Expansion of Variety Trial Centres	MAF	4·9	4·9
10–32	Horticultural Research Programme	MAF	2·1	2·1
10–33	Tobacco Research Programme	MAF	1·3	1·3
10–34	Plant Quarantine Station	MAF	2·7	—
10–35	Gen. Animal Husbandry Research facilities	MAIGF	2·0	2·0
10–36	Aswa Valley Fact Finding Beef Ranch	MAIGF	4·0	4·0
10–37	Transfer of Animal Health Centre Livestock Experimental Station	MAIGF	5·0	—

Table X—6. Rural Production—Government Development Projects*—*continued*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
10-38	Regional Animal Health Research Laboratories	MAIGF	4·0	4·0
10-39	General Fisheries Research	MAIGF	1·0	1·0
10-90	Fish Processing Research	MAIGF	0·5	0·5
	RURAL EXTENSION PROGRAMME		10·5	6·0
10-41	Veterinary Dispensaries	MAIGF	2·5	2·5
10-42	Information and Visual Aid Centres ..	MAIGF	1·0	1·0
10-40	Information and Visual Aid Centres ..	MAF	2·0	1·0
10-43	Expansion of Land Planning Service ..	MAF	5·0	1·5
	AGRICULTURAL AND LIVESTOCK EDUCATION AND TRAINING PROGRAMME		26·4	26·0
10-44	Expansion at Arapai and Bukalasa Agricultural Colleges	MAF	4·2	4·2
10-48	Establishment of National College of Agricultural Mechanisation	MAF	1·2	1·2
10-45	Establishement of Co-operative College, Kigumba	MCC	4·6	4·6
10-46	Veterinary Training Institute (Development of new site)	MAIGF	2·0	2·0
10-47	Expansion of Fisheries Training Institute ..	MAIGF	1·4	1·0
10-49	Development of Dist. Farm Institutes Rural Training Centres and Co-operative Wings	MAF	13·0	13·0
	COTTON DEVELOPMENT PROGRAMME ..		50·0	30·0
10-54	Cotton Spraying Subsidy Scheme ..	MAF	50·0	30·0
	TEA DEVELOPMENT PROGRAMME ..		63·3	37·0
10-11	Contribution to U.D.B.—Credit for Tea Outgrowers	MFP	28·6	18·0
10-53	Contribution to A.D.C.—Tea Programme—(leaf collection and project administration)	MFP	34·7	19·0
	TOBACCO DEVELOPMENT PROGRAMME ..		38·1	38·1
10-6	Contribution to U.D.B.—Credit for flue-cured tobacco outgrowers	MFP	20·4	20·4
10-7	Contribution to P.M.B.—Tobacco warehouse in Kampala	MFP	4·4	4·4
10-56	Flue-cured tobacco small-holders development (project administration costs)	MCC	11·5	11·5
10-57	Fire-cured tobacco development ..	MAF	1·8	1·8
	OTHER CROP DEVELOPMENT PROGRAMME		65·5	56·5
10-79	Contribution to U.D.B.—credit for the production of other crops	MFP	10·0	6·0
10-5	Contribution to U.D.B.—credit for sugar out-growers	MFP	8·0	8·0
10-99	Contribution to U.D.B.—Groundnut grading units	MFP	1·5	1·5
10-58	Cocoa Development	MAF	10·0	10·0
10-59	Citrus Development	MAF	2·0	2·0
10-60	Kenaf Development	MIA	17·0	12·0
10-61	Silk Development	MAF	0·5	0·5
10-24	Kibimba Irrigation and Rice production scheme	MAF	10·0	10·0
10-63	Haricot Beans Development	MAF	2·5	2·5
10-65	Sim-sim Development	MAF	1·0	1·0
10-64	Horticultural Development	MAF	3·0	3·0
	FORESTRY DEVELOPMENT PROGRAMME ..		17·0	17·0
10-66	Softwood Afforestation Programme ..	MAF	14·5	14·5
10-67	Forest Roads	MAF	1·5	1·5
10-69	Additional Equipment—Forestry Dept. ..	MAF	1·0	1·0
	ANIMAL DISEASE CONTROL PROGRAMME		56·6	56·6
10-70	Tick Control	MAIGF	30·0	30·0
10-71	Foot and Mouth Disease Control ..	MAIGF	20·0	20·0
10-72	Mobile Epidemic Disease Control Scheme	MAIGF	2·6	2·6
10-73	Rinderpest Campaign	MAIGF	2·0	2·0
10-15	Stock Routes and Quarantines	MAIGF	2·0	2·0

Table X—6. Rural Production—Government Development Projects*—*continued*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	BEEF DEVELOPMENT PROGRAMME		70·5	65·5
10–9	Contribution to U.D.B.—credit for beef development	MFP	20·0	15·0
10–74	Development of new beef ranches (other than Ankole/Masaka) ..	MAIGF	20·0	20·0
10–98	Development of Ankole/Masaka Beef Ranching Scheme..	MAIGF	25·0	25·0
10–75	Development of Mbarara stock farm and other ongoing ranching schemes ..	MAIGF	3·0	3·0
10–97	Improvement of Livestock Markets ..	MAIGF	2·5	2·5
	DAIRY DEVELOPMENT PROGRAMME		75·6	64·6
10–10	Contribution to U.D.B.—Credit for Dairy Development	MFP	20·0	15·0
10–77	Importation of exotic cattle	MAIGF	20·0	20·0
10–78	Dairy Breeding Farms	MAIGF	25·0	19·0
10–81	Artificial Insemination Services	MAIGF	3·0	3·0
10–80	Contribution to L.D.C.—Milk cooling and collecting centres	MFP	1·0	1·0
10–82	Dairy Supplies and Storage facilities ..	MAIGF	6·6	6·6
	OTHER LIVESTOCK DEVELOPMENT PROGRAMME		6·8	6·8
10–83	Pig Development	MAIGF	1·0	1·0
10–84	Goat Development	MAIGF	1·2	1·2
10–85	Bee-keeping Development	MAIGF	0·5	0·5
10–86	Poultry Development	MAIGF	2·5	2·5
10–87	Hides and Skins Development	MAIGF	1·6	1·6
	FISHERIES DEVELOPMENT PROGRAMME ..		9·9	8·0
10–88	Deep-water Fisheries Development ..	MAIGF	4·0	4·0
10–89	Fish-landing and Marketing Improvements	MAIGF	2·4	2·4
10–91	Fish farming, exploitation of new species	MAIGF	2·8	1·0
10–95	Launches for Demonstration and Experimental work	MAIGF	0·5	0·5
10–96	Fisheries Department Patrol Launches ..	MAIGF	0·2	0·1
	AGRICULTURE AND LIVESTOCK GENERAL ADMINISTRATIVE PROGRAMME		38·5	19·5
10–50	Non-project housing	MAF	25·0	11·0
10–52	Additional Vehicles	MAF	2·0	2·0
10–51	Non-project housing	MAIGF	10·0	5·0
10–53	Additional Vehicles	MAIGF	1·5	1·5

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*The relationship between the 'bank' and the 'high priority' allocation to each project corresponding to 'bank' and 'high priority' is explained in Chapter Eight (paragraphs 8.7–8.10). The system of code numbers associated with each project is explained in Appendix I.

† M.F.P.—Ministry of Finance and Planning.

M.A.F.—Ministry of Agriculture and Forestry.

M.A.I.G.F.—Ministry of Animal Industry, Game and Fisheries.

M.C.C.—Ministry of Commerce and Co-operatives.

M.M.W.R.—Ministry of Mineral and Water Resources.

M.C.C.D.—Ministry of Culture and Community Development.

M.I.A.—Ministry of Internal Affairs.

Chapter Eleven

MANUFACTURING, MINING AND CONSTRUCTION

11.1 The process of economic growth and development involves a major ansformation of the economy from subsistence to commercial production in ne rural sector and the expansion of industrial activity. The experience of he developed countries indicates that the industrial sector must grow at a onsiderably more rapid rate than the rural sector during the transformation eriod. Industrial output in Uganda should triple its share of total output y the end of the century if the development effort is to succeed. The mining ector produces the natural resources which are the raw materials for processing nd manufacturing activities. The construction industry is responsible for the rovision of housing, office buildings, roads and other physical facilities essential for economic growth and development.

I. Manufacturing

A. *Assessment*

11.2 Table XI—1 presents data on the growth of manufacturing output over the years 1966–70. Since the Second Plan targets were formulated, G.D.P. figures have been revised. A major part of this revision was to improve the coverage of small-scale manufacturing activity. The historical services upon which the Second Plan growth targets are based and those presented in Table XI—1 are therefore not entirely comparable. Nevertheless, the broad picture is clear. For manufacturing—comprising crop processing, manufacture of foods, and miscellaneous manufacturing—the overall implicit Plan growth target was 10·0 per cent per annum. Table XI—1 indicates that total manufacturing grew at an average rate of 5·8 per cent per annum between 1966 and 1970, well below the Plan target rate. The share of manufacturing in total monetary output increased from 12·0 per cent in 1966 to 12·4 per cent in 1970.

11.3 There was some variation in performance between the manufacturing sub-sectors. Crop processing grew in line with the production of cotton, coffee and sugar, displaying a sharp jump in 1969 when a record coffee crop was achieved. Nevertheless, growth over the first four years of the Plan was below the Plan target rate. Over the same period, manufacture of foods grew by 7·8 per cent per annum, quite close to the Plan target rate of 10·8 per cent per annum. Within the sub-sector, large-scale activity grew somewhat slowly, but small-scale production appears to have grown very rapidly. For miscellaneous manufacturing, the picture is rather different. Overall output for the sub-sector grew by 5·9 per cent per annum over the years 1966–1970, less than half the Plan target rate; the shortfall appears to have arisen mainly from a very slow growth of small-scale activity (for which the data still requires improvement). The volume of output of major products in the food and miscellaneous manufacturing sectors over the 1966–1970 period is shown in Table XI—2.

✓ **Table XI.—1 Industrial Output: Second Plan Targets and Actual Performance, 1966–70**

(At 1966 prices and factor cost)

(*Shs. million*)

	1966	1967	1968	1969	1970	Annual Average Growth Rates	
						Actual 1966–70 %	Plan target %
Crop processing*	96	95	94	113	113	4·2	5·6
Manufacture of foods	49	48	56	65	66	7·8	10·8
of which:							
large-scale†	41	38	39	48	50	5·1	—
small-scale	8	10	17	17	16	18·9	—
Miscellaneous manufacturing ..	359	378	393	426	452	5·9	12·6
of which:							
large-scale†	201	220	229	257	278	8·4	—
small-scale	158	158	164	169	174	2·4	—
TOTAL—MANUFACTURING ..	504	521	543	604	631	5·8	(10·0)

* Covering coffee-curing, cotton ginning, and sugar refining.

† Covering establishments with ten or more employees.

✓ **Table XI—2. Production of Manufactured Goods, 1966–1970**

	1966	1967	1968	1969	1970
Uganda Waragi ('000 litres) ..	238·4	258·3	364·8	395·5	563·5
Beers (million litres)	19·7	20·5	19·8	21·0	27·8
Cigarettes (millions)	1,343	1,247	1,275	1,332	1,536
Pipe tobacco (tonnes)	200	181	157	137	127
Cotton and rayon fabrics (million sq. metres)	36·7	41·7	43·4	47·2	49·7
Blankets ('000 pieces)	641	n.a.	1,055	1,165	1,164
Soap ('000 tonnes)	14·9	12·6	12·0	12·0	12·8
Matches ('000 cartons*)	38·3	41·6	42·8	40·9	49·3
Super phosphate ('000 tonnes) ..	24·6	17·0	15·0	22·8	24·8
Sawn timber† ('000 tons‡) ..	41·2	41·5	45·3	45·6	49·3
Steel ingots ('000 tonnes) ..	19·8	17·9	21·4	20·6	19·5
Plywood ('000 sq. feet.)	8,622	8,637	9,987	12,766	12,266
Corrugated iron sheets (tonnes) ..	n.a.	9,473	9,910	11,632	13,262
Cement ('000 tonnes)	122·4	139·5	154·9	172·9	191·1
Paints ('000 litres)	—	—	1,220	1,455	1,672

* Cartons of 10 gross match boxes.

† Estimate based on a 68 per cent sample.

‡ 1 ton equals 600 board-feet.

11.4. A variety of factors appear to have been acting as constraints on the expansion of manufacturing output. In some cases—notably sugar refining and cement towards the end of the Plan—capacity has acted as the crucial constraint on the growth of output, partly because of delays in expanding capacity, and partly because the growth of demand was more rapid than expected. In other cases, failure to achieve the Plan production target for a primary commodity has affected the expansion of industrial processing. Thus cotton ginning activity was limited mainly by the availability of seed cotton, although if any substantial increase in cotton production were achieved, lack of ginning capacity would rapidly become the operative constraint.

11.5 The most widespread problem, however, appears to have been the market limitation. On the domestic market, sales of investment goods and intermediate inputs to investment have grown rapidly with the fairly rapid growth of investment activity. Sales of consumer goods, on the other hand, which predominate in the Uganda manufacturing sector, grew slowly despite some increase in the level of protection from competition from outside East Africa. Table XI—3 sets out estimates of sales to the domestic market for locally produced manufactured commodities for which data can be obtained for the years 1966–70. The first three items—cigarettes, beer and soap—are all consumer goods used by a large part of the population, and all show stagnation in domestic sales over the years 1966–69 and then a sharp jump in 1970. Domestic sales of cement, on the other hand, grew steadily. For all these commodities, lack of capacity has not been a significant obstacle to the expansion of output during the years under review, although cement production became constrained by lack of capacity by 1971.

Table XI—3. Domestic Sales of Selected Locally Produced Manufactured Goods, 1966–1970

	Units	1966	1967	1968	1969	1970
Cigarettes	(millions)	1,329	1,209	1,255	1,204	1,470
Beer . .	('000 litres)	18,177	19,242	19,451	20,798	26,624
Soap . .	(tonnes)	11,139	9,688	9,882	9,702	12,161
Cement	('000 tonnes)	116·6	133·2	149·9	174·8	186·9

11.6 For cement, the growth of sales was in line with the fairly steady expansion of construction activity. For the other commodities, there appear to be two main explanations for the fluctuating performance. First, over the first three years of the Plan, the volume of payments to cotton and coffee growers declined, so that rural purchasing power was significantly affected. The introduction of sales tax in 1968 also affected the sales of a number of commodities. In 1969 and 1970 the growers' prices for coffee and then cotton were increased, and this, together with the large crops achieved in those two years, caused a substantial jump in growers' earnings. This effect was reinforced by increases in growers' prices for a range of other crops towards the end of the Plan. Secondly, Government's budgetary policy and the associated growth of the money supply towards the end of the Plan appears to have contributed significantly to the expansion of demand for manufactured commodities.

11.7 The export market shows a fairly similar picture to that presented by domestic sales of locally manufactured consumer goods. Table XI—4 presents data on the growth of manufactured exports over the period 1966–70. Total manufactured exports declined between 1966 and 1968, rose slightly in 1969, and rose sharply in 1970. A significant factor was the decline in exports of cotton fabrics in 1968, following the imposition of transfer tax on cotton textiles by Tanzania under the Treaty for East African Co-operation. The decline would have been even more serious if it were not for the achievement of increased sales to Kenya, which showed a particularly substantial jump in 1970. Other manufactured exports grew fairly steadily over the years 1966–70, increasing by 9·5 per cent in 1970, as the result of substantial increases in the sales to Kenya of a range of manufactured items.

Table XI—4. Manufactured Exports, 1966–1970

(*Shs. million*)

	1966	1967	1968	1969	1970
Cotton fabrics	69·6	62·8	45·2	45·1	55·9
Other manufactured exports ..	69·2	73·9	76·2	81·4	89·1
TOTAL—MANUFACTURED EXPORTS*	138·8	136·7	121·4	126·5	145·0

* S. I. T. C. sectors 3, 5, 6, 7, 8 and 9, excluding copper exports.

11.8 Table XI—5 sets out estimates of employment in the manufacturing sector over the period 1966–70. Overall, employment in manufacturing grew by 6·2 per cent per annum between 1966 and 1970, somewhat slower than the growth of output in the large-scale manufacturing sector whose coverage corresponds very broadly with that of the employment series. Employment declined slightly in 1970 as a result of a decline in employment in the miscellaneous manufacturing sector caused mainly by a fall in employment in the textile industry.

✓ **Table XI—5. Employment in the Manufacturing Sector, 1966–1970**

(*000s of employees*)

	1966	1967	1968	1969	1970
Coffee curing and cotton ginning ..	10·0	8·7	10·2	11·2	11·5
Manufacturing of food*	9·7	10·0	11·8	13·1	13·5
Miscellaneous manufacturing ..	23·0	25·6	27·6	29·8	29·0
TOTAL—MANUFACTURING ..	42·7	44·3	49·6	54·1	54·0

* Includes tea processing and sugar refining.

11.9 The Treaty for East African Co-operation was ratified by the three member states in 1967. In recognition of the needs for industrial development and the reduction of the existing industrial imbalance, the East African Development Bank was established and the transfer tax mechanism adopted. The Bank is restricted to lending for industrial purposes and is under obligation to make a larger proportion of its loans in Uganda and Tanzania than in Kenya. Tanzania and Uganda were permitted under specified conditions to impose transfer taxes on goods produced in the other Partner States. There has been an adverse effect on Uganda exports to Tanzania as a result of the transfer tax. On the other hand, the transfer tax mechanism is an improvement over the quotas and other restrictive practices which had been in effect prior to the Treaty, and some domestic industries have benefited from the transitional protection against Kenya which the transfer tax arrangements have provided.

11.10 In May, 1970, Government announced its decision to acquire a 60 per cent share in a large number of industrial and other companies. This matter was carefully reviewed in early 1971, and as a result of the review Government announced that those areas of the economy which were to be exclusively reserved for Government and those areas where Government's participation in ownership was mandatory were to be clearly demarcated. Within the industrial sector, there are no activities over which Government wishes to have monopoly control. Mandatory participation by Government in the ownership of firms in industry is restricted to 49 per cent ownership of large enterprises in sugar production, basic iron and steel production and petroleum product processing. For all other activities in the industrial sector, companies which Government owns or in which it has a share are to operate in full competition with private enterprise. Fuller details of Government's policy for its participation in productive enterprises are spelt out in the Development Manifesto.

11.11 In 1969, Uganda introduced a sales tax on a range of manufactured commodities. In some cases the tax initially induced a considerable fall in domestic sales volume. There are also indications that the tax may have been regressive in its impact upon income distribution. It appears, however, that the impact on sales volume was only transitional, and the economy adjusted to the tax. In addition, the tax has provided substantial additional revenue for Government at a time when expenditure has been growing rapidly.

11.12 The main arm of Government's industrial effort is the Uganda Development Corporation. Among the projects undertaken by the Corporation, its subsidiaries and affiliates, were the establishment of a new cement plant with 100,000 tons annual capacity at Hima in western Uganda, a meat processing plant at Soroti, a jute bag and hessian factory at Tororo, a starch factory at Lango, and sanitary ware and assembly of refrigerators in Kampala. Among the major new activities completed by the private sector were a textile plant at Mbale, a cable factory at Lugazi, a rayon cloth plant in Kawempe, a paper plant and a light bulb unit in Jinja.

11.13 The Second Five-Year Development Plan placed considerable emphasis upon the development of small-scale industries. Despite this emphasis, virtually nothing was accomplished because of administrative delays and lack of funds. The Management Training and Advisory Centre provided training courses, which, however, were oriented primarily to personnel from medium to large firms. Limited workshop facilities have been made available. Demonstration mobile vans have been used in training in the field, in an effort to meet the needs of the smaller firms. The Industrial Development Centre was established in 1968, and by the end of the Second Plan period a contract was about to be let for the first phase of the industrial estate at Ntinda in Kampala. Credit facilities on a very limited scale were made available through the small industry programme of the Uganda Development Corporation and the Development Loans Fund administered by the Uganda Commercial Bank.

B. *Goals and Strategies for Plan III*

11.14 The targets for the manufacturing sector are:—

(i) a growth of output of 7·6 per cent per annum between 1967/69 and 1976;

(ii) a growth of manufactured export* averaging 5·3 per cent per annum over the same period;

(iii) substantial progress in the Ugandanisation both of employment and of ownership and operation within the manufacturing sector. For employment, the target is effective Ugandanisation by 1981. For ownership and operation, the absence of quantitative data precludes the setting of specific quantitative targets;

(iv) a rapid growth of employment in manufacturing broadly in line with the growth of manufacturing output.

11.15 The expansion of industrial output depends upon the realisation of larger output from establishments at present operating at less than full capacity; and upon the extension of existing capacity and the establishment of new industrial units to meet the growth in demand. Government's overall strategy for achieving this expansion depends upon the expansion of markets, upon the generation of sufficient investment in new productive capacity, and upon the improvement of the labour force and of management in the industrial sector.

11.16 The need to achieve the most rapid possible expansion of the domestic market was emphasised in Chapter Three. A major strategy outlined in that Chapter was the minimisation of the import cost of economic expansion through import restraint, import substitution, and the improvement of income distribution, so that monetary policy could operate to achieve a very substantial growth in the domestic market in the long term. The need for such an expansion is particularly evident in the manufacturing sector, where capacity utilisation in the past has often been very poor, and where market expansion generates new opportunities for import substitution.

11.17 Even with rapid market expansion, the limits to the extent to which import substitution can be pursued must be clearly recognised. Hitherto, Government has provided protection for import substituting industries through a low or zero import duty on capital equipment and materials, and high rates on finished products. Refunds of the duty paid on these imports which are dutiable and which are used in domestic production are made available on a selective basis. In some instances, competitive imports from outside East Africa have been prohibited. As a result, the general level of effective protection afforded to domestic manufacturing production is high, and Uganda has become a relatively high cost producer of a variety of goods. Furthermore, for reasons spelt out in Chapter Six, it appears that Uganda's tariff structure may have favoured capital intensive production techniques, and have militated against the expansion of paid employment. For these reasons, the need to seek a gradual restructuring of the East African external tariff system as well as the general level of industrial protection are to be studied. In any case, new firms which seek protection to produce import substitutes must demonstrate foreign exchange savings to the economy, a strong positive impact upon employment opportunities for Ugandans, and no undue burden upon consumers.

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* Defined as S.I.T.C. categories 3, 5, 6, 7, 8 and 9 (excluding copper).

11.18 Although every effort will be made to expand the domestic market, this will not be enough. Exports of manufactured goods must also be rapidly increased, not only to directly provide an enlarged market for manufactured output, but also to contribute towards the increased foreign exchange requirements which a rapid expansion of the domestic economy as a whole entails. The Plan target is to achieve a growth of manufactured exports of 5·3 per cent per annum between 1967/69 and 1976. A major item of manufactured exports is cotton fabrics, and it will be difficult to achieve a major increase in the export of this commodity. There are other items, such as electricity, beryl, tin and scrap, for which export possibilities are for one reason or another limited. Achievement of the export target will therefore involve a very rapid growth—about 10 per cent per annum—of exports of other manufactured commodities. The strategy for export promotion is described in Chapter Four.

11.19 The expansion of domestic manufacturing production, based on ncreased exports and an expanded local market, will itself generate further roduction possibilities as a result of inter-industry linkages. In part, such ossibilities will be import substituting in nature. In other cases, they will involve he use of by-products at present exported at a nominal price, or discarded as vaste. Government is at present developing an inter-industry matrix, to help vith the identification of potential inter-industry linkages which might form the asis for introducing new domestic production processes.

11.20 A number of mass production industries require a substantial market o be profitable. One major benefit of the East African Community is the rger market size of the Community as compared with that of each of the artner States. The Community market, however, may be large enough for nly one producer. Several such multinational industries have been identified nd studies initiated on vehicle assembly, automobile parts manufacture, the iron nd steel industry, and chemicals. Uganda expects a reasonable allocation of the ultinational units among the three Partner States to ensure the mutual haring of benefits. Steps will also be taken to develop closer economic ties ith other neighbouring countries.

11.21 A major problem faced by many enterprises in the manufacturing ctor is the poor utilisation of capacity which is associated with the present vels of production, and which is an important factor contributing to the gh cost of domestic manufacturing. The achievement of a rapid growth of tput for the domestic and export markets will improve the capacity utilisation existing enterprises. Substantial new investment in production capacity will so be necessary.

11.22 A substantial part of new investment in manufacturing will be carried t through the public corporations, and particularly through the Uganda evelopment Corporation (*see* paragraph 11.24). The overall strategy of the an, however, also envisages an increased level of investment by the private sector. Government is examining industrial incentives and will make the necessary changes to further encourage industrial investment. Among the incentives and guarantees at present in operation are:—

(*a*) a relatively low rate of company taxation (40 per cent of profits);

(*b*) an allowance of 120 per cent of actual investment expenditures chargeable against gross income, with some freedom on the determination of the write-off period;

(*c*) eligibility of new firms in priority sectors of the economy for Approved Enterprise Status, in accordance with the provisions of the Industrial Charter. Foreign investment is eligible for External Approved Status, which guarantees freedom to repatriate profits, after taxation, and capital;

(*d*) the Industrial Licensing Act, which is in part directed towards achieving orderly and balanced industrial development, and towards avoiding the establishment of a number of competing enterprises in industrial fields, where this would lead to excessive spare capacity;

(*e*) the provision of vocational training facilities to meet the demand for semi-skilled and skilled labour.

In addition, Government stands ready, through the public corporations, to undertake joint industrial ventures with the private sector. In the application of all the incentives listed above, special consideration will be given to the promotion of export-oriented industries. In order to assist prospective private investors in the identification of possible projects for implementation, Government is preparing an investors' guide. This will provide a comprehensive picture of investment opportunities, of the detailed regulations governing private investment in Uganda, as well as of the various forms of Government assistance to private enterprise.

11.23 During the Second Plan period, uncertainties about Government's relationship with the private sector adversely affected the investment climate and led to a flight of capital. The clear demarcation of the extent of Government's interest in ownership of commercial and industrial activity which was announced in May 1971 (*see* paragraph 11.10) was designed to restore investor confidence and to provide a clearly defined framework for the respective roles of Government and private enterprise. Government is convinced that this framework will induce a resurgence of private capital inflow and investment. As just stated, Government is willing to discuss with any interested party its participation, if desired, in new industrial ventures. During the Plan, expenditure by Government on the acquisition of shares in the three industrial companies in which it is participating on a mandatory basis will amount to Shs. 100 million.

11.24 Government's main vehicle for direct participation in commercial activity has been the Uganda Development Corporation. Following the reorganisation of the parastatal sector (*see* Chapter Nine) the Uganda Development Corporation is to concentrate its activities in the industrial and mining sectors. Accordingly, each of those present subsidiaries of UDC which is outside these sectors will be transferred to the appropriate ones of the other Government Corporations. It is envisaged that the strengthening of specialisation which the reorganisation is designed to achieve will enable the UDC to make an enhanced contribution to the industrial development of the country.

11.25 Government's industrial location policy is spelt out in detail in Chapter Seven. The major objective of this policy is to ensure that industrial development, and the concomitant generation of incomes and paid employment, proceed at the maximum possible rate. Thus, as stated in Chapter Seven, Government will in general only undertake or assist the development or operation of commercial projects in their most viable locations.

11.26 The Ugandanisation of industry has two facets. The first is the use of Ugandan labour wherever appropriately qualified personnel are available. The measures to ensure rapid Ugandanisation are elaborated in Chapter Six and the overall target is to achieve complete Ugandanisation by 1981. The second facet is the Ugandanisation of ownership and operation of industrial firms. Two main measures are envisaged in this connection. First, foreign private companies operating in Uganda will be encouraged to sell shares to Ugandans. Secondly, a major effort to foster Ugandan ownership in the industrial sector is to be made through the promotion of small-scale and rural industries.

11.27 It is evident that there are a considerable number of Ugandan enterprises engaged in such small-scale activities as furniture making, garment manufacture, shoe and maize meal production in the towns and trading centres. Government is to carry out a study for the scope for the expansion of small-scale industry. Given the apparently large numbers involved, the present low levels of skill, equipment and managerial capacity, and the lack of funds, any Government programme to reach a substantial portion of this sector will be extremely difficult to implement. An initial step will be the expansion of the staff of the Management Training and Advisory Centre (MTAC) to provide assistance to the small entrepreneur. Such programmes will be offered at nominal cost as widely as possible within Uganda. In addition, assistance will be given to individual firms by specialised extension staff where requested. The development cost of the MTAC programme is Shs. 8·3 million. Additional credit facilities and resources will be provided by Government through the Uganda Development Bank (UDB) and the banking system. Past experience in both this and the rural sector make it clear that such credit must be closely supervised. This will be another responsibility of the MTAC. Actual credit needs are extremely difficult to anticipate because of the lack of data and experience. A notional estimate of Shs. 10 million is included in this plan to be made available to the UDB for lending.

11.28 Another form of assistance is the establishment of industrial estates where facilities are made available to small-scale units. Three industrial estates will be established during Plan III, the first at Ntinda which will soon be under construction, and two others in smaller urban areas under the auspices of the Industrial Development Centre (IDC). The cost of establishing the Ntinda unit will be Shs. 14·8 million. The two additional estates will cost another Shs. 13·0 million.

11.29 Government is now considering the most appropriate form of developing and expanding the MTAC and the IDC. The purpose behind the review is to ensure that all services and facilities are effectively provided. Particular attention will be paid to the operation and management of an appropriate industrial extension service, and to the urgent need to expand the potential for small-scale industry (*see* paragraph 11.27). In general, the organisations which will be developed will have separate sections dealing with extension, training and the operation of industrial estates, which will work in close co-operation with each other.

11.30 During the Second Plan, employment in manufacturing grew almost as fast as output at factor cost. Over Plan III, the target is to better this performance, and to achieve a growth of employment broadly in line with the growth of manufacturing output. If this target is achieved, employment in manufacturing will be close to 90,000 persons by 1976. Government's wages policy and the possible steps to restructure the external tariff (paragraph 11.17 and Chapter Six) will be the main instruments in securing faster growth of employment. Government's proposals for developing on-the-job training for industrial employees (*see* Chapters Six and Eighteen), will also facilitate employment generation.

C. *Industrial Sector Programmes*

(i) *Crop Processing*

11.31 The crop processing sector includes cotton ginning, coffee curing, tea processing and sugar refining. In cotton ginning, the number of active ginneries declined sharply during the Second Plan—from 130 in 1965–66 to 53 in 1970–71. This fall arose from the shift in cotton production away from the south of the country towards the north and east, and from the ginning monopoly given to the Co-operative Movement in 1968. Existing ginning capacity is unable to deal efficiently with a cotton crop in excess of 350,000 bales of lint. With the planned increase in cotton production, ginning capacity and also cotton storage facilities will have to be expanded considerably. In addition, many of the ginneries are in such poor condition that the quality of lint is adversely affected, and a rehabilitation programme is required.

11.32 Government is now preparing a programme for ginnery rehabilitation and expansion, and for ginnery storage capacity expansion. As a part of this programme, a saw gin is to be established in West Nile, at a cost of Shs. 9·0 million, and the double-rolling ginning equipment which it replaces will either be used for standby purposes or will be shifted to expand capacity in other parts of the country. The overall cost of the programme, including the cost of the saw gin unit and of an expansion in capacity to make it possible to process 600,000 bales per annum, is at present estimated at Shs. 27·6 million. As a contribution towards this amount, Shs. 16·4 million will be made available by Government through the Uganda Development Bank; the balance will be financed commercially.

11.33 As a result of technical advances, saw gins have become much more fficient and may be most suitable for processing the shorter staple SATU crop which is processed in the northern part of Uganda. The capital cost of saw gins is very much lower than that of double roller gins, but the lint produced by saw gins may suffer a slight price disadvantage in the market. The saw gin n West Nile will provide practical data on the relative economics of saw and double roller ginning, and will provide a basis for deciding whether a substantial expansion of saw ginning capacity in northern Uganda is a possibility n the long run.

11.34 Coffee curing uses either the wet or dry process. Wet processing is more costly than dry, but the wet processed bean commands a price premium. Most of the arabica coffee produced in Uganda, and all from Bugisu District, s wet processed. Wet processing of robusta expanded so rapidly during the Second Plan that quality was adversely affected, and the quantities threatened o exceed the market for the product. No major expansion of coffee processing capacity, either wet or dry, is planned for the Plan III period. However, to mprove quality, some processing plants need to be rehabilitated new factories built in appropriate places and additional stores constructed. Shs. 5 million will be made available by Government through the Uganda Development Bank for this programme. The overall cost of the rehabilitation programme, however, is expected to be considerably larger, and the balance will be financed from commercial sources.

11.35 During the Second Plan, a tea outgrower scheme was initiated under the direction of the Uganda Tea Growers Corporation (UTGC). The initial output has been processed in existing tea factories owned either by Agricultural Enterprises Ltd., UTGC, or private operators. Three new plants were built during the past five years. As acreage planted expands and the recent plantings come into full bearing, additional processing capacity is needed. The existing plant in Kigezi will be expanded and four new factories installed to make a total of 36 by 1976. The cost of expansion and new plants for UTGC will be Shs. 15·7 million, of which Shs. 5 million will be provided by Government through the ADC. Although renovation and improvements are required at some of the existing plants, no additional units are expected to be built by the existing tea estates.

11.36 The Second Plan target for mill white sugar was an increase of 95,000 tonnes to 240,000 tonnes capacity by 1971. In the event, production only reached 144,000 tonnes by 1970. Of the two new mills which were to be established, work was started on only one, the Kinyala sugar scheme, and there was no output from this scheme during the Second Plan. The plant will come into production in late 1973, with an initial capacity of 45,000 tonnes, which will rise to 60,000 tonnes by 1976. Together with the planned expansion of existing mills, sugar production will be 240,000–250,000 tonnes by 1976.

11.37 Domestic consumption behaved somewhat erratically during the Second Plan period. As Table XI—6 shows, consumption appears to have jumped in 1966 and then fallen in each of the two succeeding years. This may be due to the fact that the 1966 import of 16,000 tonnes of sugar was treated as consumed in that year. It is much more likely that some of this import went into dealer inventories and was consumed in the following year or years. In 1970 consumption jumped by over 20 per cent over the previous year. A further increase has occurred in the first four months of 1971 (and a rise of more than 10 per cent projected for the full year). Production in 1971 has not risen above the 1970 level because of weather conditions which reduced the sugar content of the cane. Government therefore stopped exports, and imported 10,000 tonnes of sugar to prevent any shortage from developing.

Table XI—6. Production and Consumption of Sugar, 1966-1970

(in '000 tonnes)

Year	Production	Domestic consumption
1965	118·7	97·5
1966	129·0	106·7
1967	137·4	103·2
1968	152·4	100·0
1969	139·9	111·8
1970	144·0	132·9
1971	142·0*	146·7*

* Estimates.

11.38 There are a number of aspects affecting a forecast of sugar production, domestic consumption, and exports, and the data provided in this paragraph will be amended early in the Plan period. However, on present indication, it is estimated that consumption during Plan III is expected to rise by about 6 per cent per annum, to a total of 180,000-190,000 tonnes. The projected production capacity of 240,000-250,000 tonnes for the year will leave an exportable surplus in the region of 60,000 tonnes. Uganda should have little difficulty selling this quantity of sugar to Kenya, other neighbouring countries, and under the Commonwealth and International Sugar Agreement quotas.

11.39 The Plan III cost of the Kinyala sugar mill and nucleus estate of 5,000 hectares is estimated at Shs. 100 million, of which Government will contribute Shs. 55 million. Additional expenditures for capacity expansion by the existing sugar mills at Lugazi and Kakira will total Shs. 25 million.

(ii) *Food Processing, Beverages and Tobacco Products*

11.40 There was a considerable expansion in this sector during the Second Plan period. Among the new units established were a meat processing plant at Soroti, milk pasteurisation plants at Mbale, Entebbe and Kampala, a grain milling plant at Jinja, and a plant in Kampala for brewing traditional beer. Beer, beverage and soft drink production capacity were substantially expanded.

11.41 With the rapid expansion of population, particularly in the urban sector, together with the planned rate of income growth, the manufacture of food products has considerable potential. There are additional opportunities for larger scale commercial development of the processing of horticultural crops.

Opportunities exist for small-scale activities such as grain milling, food canning and bakeries. Agricultural development efforts will be directed towards the introduction and expansion of crops which offer profitable processing opportunities.

11.42 With the planned expansion of liquid milk production in Uganda, additional pasteurisation facilities will be required. Small plants will be established in various centres as soon as available milk supply permits economic processing. The old Kampala plant which was displaced by the new unit during the Second Plan will be transferred to another centre as soon as sufficient milk is available. A high temperature sterilisation plant is another project under investigation. The Plan III capital cost for milk processing units will be Shs. 3 million, of which Government will contribute Shs. 2 million in the form of a disbursement to the Livestock Development Corporation.

11.43 Fish processing and canning studies were undertaken during the Second Plan. A laboratory unit has been constructed, and will continue with the effort to develop palatable processed products from haplochromis and other fish found in abundance in Uganda. With the introduction of a deep water trawling industry in Lake Victoria, fish meal production will become economic to supply the animal feeds factory.

11.44 Following a recent study, a pig processing factory is to be established in the Kampala area early in the Plan. This will reduce the present level of imports of pig products, at the same time stimulating local pig production.

11.45 The food processing industries offer considerable scope for the substitution of imports and the generation of new exports. Preliminary investigations into a range of new products and processes have already been undertaken, and indicate that several opportunities for domestic production are worthy of further more detailed investigation. In the course of the Second Five-Year Plan, a special investigation was carried out into the prospects for developing a vegetable canning industry, possibly to be located in Kigezi. The study indicated that, because of high transport costs for export, and because of the limited size of the domestic market, production in Uganda was unlikely to be viable within the next few years.

11.46 A major factor constraining the development of food processing industries, particularly for the export market, is the need for strict quality control. In addition much research is required on the technology of different processing methods, and on their economic viability. During the Plan, a Food Technology Centre will be set up to engage in these fields.

11.47 The expansion of cotton production which is planned will provide the opportunity for increasing the output of the oil milling industry, which is based largely on cotton-seed. Preliminary plans are being made for the establishment of a new oil milling plan in the Northern Region, to process the increased cotton crop which is expected in that area. Production capacity will be 30,000 tonnes of cotton-seed per annum, equivalent to about 4,000 tonnes of oil, and most of the oil production, as well as the resulting seed cakes, will be exported. Depending upon relative prices, and the growth of production, crushing of groundnuts and soya beans as well as other oilseeds on an increased scale may become possible. Soya bean crushing is a particularly attractive proposition, since the cake produced is particularly rich in nutrients. The new oil mill is expected to cost Shs. 10·0 million.

11.48 Demand for beers, cigarettes, waragi and soft drinks is expected to expand considerably over the next few years, and extensions of production capacity for each of these products are now under way or are likely to be undertaken in the course of the Plan. Careful consideration is also being given to the possibility of establishing a plant to manufacture instant coffee for domestic use.

(iii) *Textiles and Wearing Apparel*

11.49 The Second Five-Year Plan was a difficult period for Uganda's textile industry. Export sales to Tanzania were very seriously affected by the quantitative restrictions imposed on Uganda textiles in 1966 and 1967, and were reduced even further when these arrangements were replaced with a very high rate of transfer tax upon the inauguration of the Treaty for East African Co-operation. The value of cotton fabric exports to Tanzania fell from Shs. 31·4 million in 1966 to Shs. 1·4 million in 1970. The impact of this decline upon the industry was fortunately partly alleviated by the achievement of a substantial improvement in exports to Kenya, which rose from Shs. 38·1 million in 1966 to Shs. 54·5 million in 1970. Domestic sales were also affected by marketing difficulties, induced by the imposition of sales tax in mid-1968 which raised prices very substantially. The rate of tax on cotton fabrics was, however, subsequently reduced, and domestic sales were further assisted by the introduction of stricter restrictions on the import of competing fabrics in early 1970, and by increases in external tariff rates on a range of cotton fabrics.

11.50 Three new major textile manufacturing units came into production during the Plan. The first of these, at Kawempe, produces rayon fabrics using imported raw materials. The second, a new cotton textile mill at Mbale, produces a wide range of grey, dyed and printed cotton fabrics. Thirdly, a jute bag factory, using imported hessian, was established at Tororo and came into production towards the end of the Plan. Chapter Ten contains proposals for the production of Kenaf, which is intended as an import substituting raw material for this plant. The two existing cotton textile mills also carried out improvements, introducing fabric printing and widening the range of their products.

11.51 The only major expansion of textile manufacturing capacity envisaged for Plan III is the cotton yarn spinning mill which is to be established at Lira. Work on this plant is now well under way, and production is expected to commence in 1973. Total capacity is 3,700 tons per annum, and expenditure during Plan III on completing the plant will be Shs. 60 million. On an East African basis, the textile industry has suffered in the past from dislocations arising from poor co-ordination of development in the three countries. In 1969, utilisation of installed production capacity in the industry was only just over 50 per cent. The East African Community has commissioned a study of the textile industry in East Africa to provide the basis for rationalisation and for an orderly expansion of the industry.

11.52 Several new garment manufacturing establishments came into operation during the Second Plan. The United Garment Industries factory in Kampala has also been considerably expanded and output has been diversified. Uganda now produces a wide range of garments, including socks, shirts, trousers, underwear, uniforms and ladies' and woollen garments, and despite considerable growth in the domestic market the value of imports of clothing in 1970 was 20 per cent below the 1966 level. As in the case of cotton fabrics, sales were affected by the imposition of sales tax in 1968, but appear to have recovered since. Over the Plan III period, growth of production and sales will continue. Some expansion of production capacity within the private sector is expected.

(iv) Wood and Paper Products

11.53 In 1970 there were 28 saw mills operating throughout Uganda, and production amounted to 66,000 cubic metres of sawn timber. The industry is characterised by inefficient production methods using antiquated plant, and by high raw material wastage. In the past, the Wood Utilisation Section of the Forestry Department has sought through its extension service to improve efficiency by offering advice on plant layout, providing training for plant technicians, and by effecting improvements to existing machinery. This effort will be continued during Plan III. In addition, Government is to establish its own saw mill at Lendu in West Nile, to utilise the output of soft wood there, and at the same time to demonstrate efficient saw milling methods and to train Ugandans in the industry. The capital cost is estimated at Shs. 1·5 million.

11.54 Plywood is manufactured in Jinja, and is used primarily in the production of tea chests for the tea industry. With the rapid growth in tea production which is planned, demand for plywood is expected to increase substantially. Consideration is being given to the establishment of a second plywood plant in western Uganda. Particle board manufacture commenced during the Second Five-Year Development Plan, and production reached about 200,000 square metres by 1969. Capacity utilisation of the plant is poor, but a further expansion of production will be achieved over the next five years as the market expands. A paper plant started operation in 1969, based on imported pulp, and manufacturing Kraft and duplicating paper. Investigations into the potential for using papyrus in paper manufacture indicated that it would not be viable. During Plan III investigations into the use of bagasse as a raw material for paper manufacture will be carried out. The manufacture of parquet flooring is also under investigation.

11.55 Detailed investigations are under way on the large-scale production of charcoal for industrial use—as a fuel in the cement industry and as a reductant in the proposed iron and steel plant at Jinja. The annual demand for charcoal for these two uses will eventually amount to about 85,000 tonnes. The expansion of the charcoal industry, as is the case with all other wood processing industries, depends upon an adequate supply of suitable raw material. Government's plans for forestry development are described in Chapter Ten.

(v) *Printing and Publishing*

11.56 During the Second Plan, Phase I of the extension of the Government Printing Press at Entebbe was completed. This extension was designed to increase the capacity of the Press, to enable it to print visual aids, posters, booklets and publicity material, as well as routine Government work. The second phase of the extension will be carried out during Plan III, and will consist of facilities for security printing and Government stationery manufacture. The capital cost of Phase II is estimated at Shs. 2·8 million.

(vi) *Leather and Rubber Products*

11.57 The Second Five-Year Plan included a proposal to establish a tannery to process hides and skins, which have hitherto been exported in unprocessed form. The plant was not constructed because of difficulties relating to its location. Following a careful re-examination of the project's viability, it will be implemented during Plan III, and, in accordance with Government's industrial location policy, will be sited at Jinja. The total capital cost is estimated at Shs. 14·3 million, and the plant will be established under the aegis of U.D.C.

11.58 The tannery will produce processed leather for both the domestic and export markets. For the domestic market, the factory will produce finished leather in a quantity—equivalent to about 200 hides per day—sufficient to meet the entire requirements of the domestic leather goods and footwear industries. For the export market, initial production will be limited to 200 hides per day in crust condition and 2,000 skins per day in wet blue chrome condition. Domestic finishing for the export market is not feasible because of the variety of finishes which are required for each of the many end-uses to which leather is put.

11.59 The initial capacity of the plant is only designed to utilise about 20 per cent of hide production and less than 40 per cent of skin production within Uganda. The design of the plant will take account of the possibility of extending it at a later date, depending upon improvement in the quality of hides available and upon the marketability of the export production in the initial phase.

11.60 Uganda at present manufactures a range of bicycle tyres and tubes. Export sales, mainly to Tanzania, account for a significant proportion of production. During the Plan, consideration will be given to the feasibility of establishing a motor vehicle tyre and tube plant. Factories for manufacturing motor tyres and tubes have just been completed in Kenya and Tanzania. A major limitation on the establishment of a third plant in Uganda, therefore, will be market availability. Present indications are that, unless a degree of specialisation of production among the three countries can be achieved, a plant in Uganda will not be viable until the Fourth Plan period.

(vii) *Chemicals and Chemical Products*

11.61 The major chemical manufacturing projects included in the Second Plan were nitrogenous and triple superphosphate fertilizer production. Neither of the projects was implemented. The nitrogenous fertilizer project was shelved because of the failure to work out a market arrangement with the Partner States, but studies on the viability of this project are being continued. The slow growth of the market for fertilizers eliminated the need for a major expansion of the single superphosphate plant at Tororo. Production in 1970 was only slightly above the 1966 level. Paint production was started in 1967.

11.62 Two major projects are being prepared for implementation during the Third Plan. One of these is the production of sulphuric acid as a by-product of the cobalt processing project at Kilembe (*see* paragraph 11.68). The other is the salt project at Lake Katwe in Toro. Final investigations are now under way at Katwe to determine more accurately the extent of the salt deposit and the feasibility of using a solar-evaporation method for extracting the salt. Subject to the results of these investigations, the process will be used to extract sodium chloride (common salt) and potassium chloride (for use as a fertilizer). Other by-products will be discarded but their extraction may be viable at a later date. The estimated capital cost is Shs. 11 million.

11.63 Apart from these two projects, several other proposals are being investigated. The posibility of establishing a pharmaceutical industry in Uganda has been under consideration for some time. Preliminary study indicated that Uganda's market size is probably inadequate for a plant to produce a wide range of pharmaceuticals. The possibility of implementing the project on an East African basis is now being examined. Apart from this, the Government pharmaceutical plant which makes simple medical preparations is to be expanded (*see* Chapter Seventeen). The fertilizer plant at Tororo may be expanded to produce triple superphosphates and other fertilizers, if problems of market availability can be overcome. Investigations into producing industrial alcohol from molasses, as a petroleum additive, are also being carried out. The preparation of insecticides is likely to expand rapidly, to meet the increase in demand associated with the planned growth in cotton production.

(viii) *Non-metallic Mineral Products*

11.64 Among the projects completed during the past five years were a new cement plant at Hima with a capacity of 100,000 tonnes per year, a sanitary ware unit, asbestos cement, a glass factory and a light bulb factory unit.

11.65 During Plan III, the cement plant at Hima will be expanded to 300,000 tonnes capacity, at a cost of Shs. 75 million. This will raise total capacity of the industry to 430,000 tonnes. In 1970, domestic consumption of cement amounted to 187,000 tonnes. With the continued rapid growth of construction activity which is expected, consumption should increase by about 10 per cent per annum, and will reach 330,000 tonnes by 1976. There is also very considerable potential for expanding exports of cement to neighbouring countries, particularly to the west of Uganda, which might reach 50,000 tonnes or more by 1976. Towards the end of the Plan, therefore, sales will be approaching the expanded capacity of the industry, and it will be necessary to initiate plans for a further capacity expansion programme.

11.66 To provide for the expansion of construction activities in the greater Kampala area, a large quarry and crushing plant is to come into operation, at a location a few miles from Kampala. A new refractory brick plant will be established at Kajansi to supply local and export markets.

(ix) *Basic Metals and Metal Products*

11.67 One of the largest projects in the Second Plan was to be the construction of an integrated iron and steel mill at Tororo, utilising the Sukulu magnetite deposits. Following a detailed feasibility study, Government decided not to proceed with the project. Instead, the existing steel mill in Jinja is to be expanded at a capital cost of Shs. 140 million. Hitherto, the Jinja mill has operated using scrap metal obtained within East Africa. Supplies of scrap are limited, so magnetite from Tororo will be converted to pig-iron and mixed with scrap in the steel production process. It is envisaged that the additional ingot production will be used to meet the rising demand for steel products within the country, and for export to re-rolling mills in neighbouring countries. The blast furnace converting magnetite ore to pig-iron is to be fired with charcoal, consumption of which is expected to rise to about 60,000 tonnes per annum.

11.68 A further major project which is under careful consideration is the extraction of cobalt from the pyrite stock at Kilembe. The cobalt will be exported after initial processing, and there is the possibility of extracting sulphuric acid as a by-product, to replace the present production which uses imported sulphur. Estimated capital cost of the project is Shs. 35 million, and the annual value of cobalt exports is expected to amount to a similar figure. The extraction process would provide considerable quantities of iron oxide which might in due course be utilised at the steel mill in Jinja. The possibility of exploiting the potential inter-industry linkages between the cobalt processing unit, the steel mill, the beryl processing and the Lake Katwe project is being carefully examined.

11.69 A feasibility study of beryllium ore processing is under way, and results are expected early in the Plan period. The project involves initial processing only within Uganda before export.

(x) *Other Manufacturing*

11.70 Studies are under way on the possibility of constructing a petroleum refinery in Uganda. If the feasibility report is favourable, a refinery in the 700,000–800,000 ton range will be constructed. This project would be linked to the construction of an oil pipeline from the coast to Uganda. Much depends on the extent to which the volume of output of the various products of the refinery can be matched to the present and potential pattern of the local market.

11.71 Over the years considerable development work has been carried out in Uganda on the possibility of adapting certain standard agricultural equipment and machinery to the special needs of this country. This has been prompted by two factors. The imported equipment carries a heavy foreign exchange cost, and much of the equipment is not at all suitable to the particular requirements and capacity of the farmer. The development work has involved experimentation with a variety of implements, ranging from the simplest hand tools to specially developed tractors. On the basis of the knowledge gained so far, steps are being taken to establish a factory to manufacture some of the products which have been developed, both for the domestic market, and, eventually, for export to neighbouring countries.

11.72 The Industrial Division of the Prisons Department deals with the trade training of prisoners, and supplies manufactured products to Government Departments at cost plus a small wastage margin. Output at cost in 1965–66 amounted to Shs. 2·6 million, which by the end of the Second Plan had increased to Shs. 5 million. The present activities cover a number of trades such as furniture manufacture and motor vehicle repair. During Plan III, the range will be extended and facilities expanded at a capital cost of Shs. 10·0 million.

D. *Summary of Government Development Expenditure in the Industrial Sector*

11.73 Part C of this section identifies a range of projects to be carried out by both the public and private sectors. Clearly the coverage of industrial investment proposals in this section is far from complete. It is not possible to obtain full knowledge of private investment proposals over the full range of industrial activity, or as far ahead as 1976. Similarly, within the public sector, there are always a range of projects under examination and some of those being appraised at the time this Plan was prepared may be implemented during the Plan III period.

11.74 For the same reasons, it is not possible to estimate with any accuracy the total volume of investment in the industrial sector over the Plan period, nor the total volume of public investment in the sector, although this is likely to be well in excess of Shs. 500 million. As far as the public sector is concerned, three main sources of finance for industrial investment are envisaged, namely, loans from the private sector, surpluses generated within the public corporations, and finance provided directly by Government.

11.75 Table XI—7 sets out estimates of Government development expenditure for the industrial sector, broken down by agency financed. Except in the case of the Uganda Development Corporation, each of the allocations in the table relates to specific and identified projects. For the Uganda Development Corporation, the allocation includes an amount of Shs. 40 million for projects to be identified during the course of the Plan period. The total investment cost of such projects will amount to very substantially more than this amount, the balance being financed by the private sector and by funds from other corporations.

Table XI—7. Government Development Expenditure in Industrial Sector

(Shs. million)

	Government Development Expenditure
Purchase of shares in industrial companies	100·0
Management Training and Advisory Centre	8·3
Industrial Development Centre	27·8
Uganda Development Bank	31·4
Agricultural Development Corporation	60·0
Livestock Development Corporation	2·0
Uganda Development Corporation	100·0
Prisons Department	10·0
Forestry Department	1·5
	341·0

II. Mining

11.76 Although the presently known mineral wealth of Uganda is not large, it provides the raw material base for several large industrial units including the production of blister copper, the third most important foreign exchange earner following cotton and coffee. In addition, Uganda has good deposits of sulphur (pyrite), phosphates (apatites), iron ore (magnetite and hematite) and mixed salts. The nation is also well endowed with suitable stone and sand deposits for its road and building construction industry.

11.77 The Plan III target is to increase the contribution of minerals and mining to the growth of the economy through the maximum exploitation of known and new resources. The programme for this sector will consist of:—

(*a*) the continuation and, where feasible, the intensification of the search for economic deposits of minerals;

(*b*) the fullest possible exploitation of known minerals in order to maximise the contribution of this sector to the growth of the economy;

(*c*) the creation of conditions which will stimulate private mineral exploration and exploitation; and

(*d*) the training of the manpower required for the fullest development of the sector.

A. *Mineral Investigation*

11.78 The largest part of the mineral exploration work will be carried out as a regular responsibility of the Geological Survey Department. Basic geological mapping will be continued. Reconnaissance mineral exploration, mainly using geochemical sampling, will be undertaken where mineral potential appears promising. Intensive investigation of any mineral showings which are located will follow, and where economic prospects appear promising further exploration work by private parties will be encouraged.

11.79 During the Second Plan period, ground follow-up work on the airborne geophysical survey which had been completed earlier was continued. Although some base metal deposits were located, these did not appear to be of economic importance. Work in Karamoja will be continued and efforts intensified to interest private companies in exploration. In Toro and Ankole, anomalies located by the airborne survey have been investigated using the induced polarisation method, a technique new to Uganda. The results have been of sufficient interest to encourage Kilembe Mines and its exploration subsidiary, Kilmex, to undertake drill testing which will be continued into the Plan III period.

11.80 A survey for additional tin deposits in south-west Uganda was completed with no positive results. In south-east Uganda, large low grade tin and columbite-tantalite deposits were investigated. These deposits also contain interesting amounts of lithium, thorium, hafnium, zirconium, niobium and some uranium. Specific areas of interest will be defined and examined.

11.81 Analysis of the rock and sludge sample collected since the 1920's from over 4,500 borehole drillings was begun during the Second Plan period. This work will be continued and the results which will provide important information on sub-surface conditions in various parts of the country will be published in the form of a geochemical atlas.

11.82 Work has been done to identify areas with higher grade pyrochlore ores in the large eastern Uganda deposit. In the same area, limestone deposits are being investigated for a new source of raw material for the Tororo Cement Plant, since the existing source is likely to be exhausted within a few years. Other carbonatite complexes are being investigated and interesting indications have been found, particularly of rare earth elements.

11.83 Work has started on reconnaissance mapping and detailed exploration activities in the areas between Mubende and Busoga. This area is considered to have above average possibilities for the location of mineral deposits. A tonnage and composition survey of the Lake Katwe salt bed was completed. Plans are under way for the commercial production of sodium chloride and other salts from this deposit following a further investigation of the deposit (*see* paragraph 11.62). Vermiculite deposits in eastern Uganda were investigated. Specimens have been sent abroad for testing by interested potential buyers. Vermiculite is used as an insulation material, but difficulties may be found in development because of the distance from the nearest port. Graphite deposits were discovered at Oram. Efforts will be intensified to develop commercial exploitation of this resource.

11.84 Kilembe Mines has continued exploration and development work on its mining property. Significant new discoveries of ore have been made and reserves are now estimated to last for eight to ten years at the present rate of extraction. During the Second Plan, iron ore samples from eastern and south-western Uganda were sent abroad for testing. Samples from the Muko deposit in south-western Uganda had an iron oxide content ranging from 15 to 95 per cent and averaging 57 per cent. The Sukulu ore, after floatation and concentration, averaged 55 per cent iron oxide content.

11.85 An exploration concession was granted to a private company in 1969 for uranium and radioactive minerals in southern Uganda, and exploration has begun. Diamond prospecting was continued over the Second Plan period by another group. A concession for oil exploration in southern Uganda has been granted to a third private company. This prospecting work will continue into Plan III.

11.86 Investigation work is being carried out on geothermal deposits, particularly in western Uganda, as possible sources of heat and power.

B. *Mineral Production*

11.87 The Kilembe Copper Mines maintained the output required for capacity smelter operations. Ore production will be maintained over the next five years to yield 16,000 to 17,000 tonnes of blister copper per annum, a slightly higher level than achieved over the Second Plan period. The pyrite which has been found together with the copper ore has been stockpiled in Kasese. A plant to extract cobalt and sulphur from the pyrite is proposed for establishment during Plan III (*see* paragraph 11.68).

11.88 Superphosphate production has been maintained to supply the fertilizer factory at Tororo. Production of the raw materials did not rise over the Second Plan period since fertilizer sales did not expand as expected. Superphosphate output will rise during Plan III as fertilizer use is expected to expand. The magnetite ore found together with the superphosphate has been stockpiled at Tororo. This ore will be used during Plan III by the steel mill in Jinja (*see* paragraph 11.67).

11.89 Limestone production is expected to double over the next five years. The expansion of the Hima cement plant together with the expanding market for quick lime will increase the raw materials required. Sand and aggregate production will expand to meet the rising requirements of the construction industry. A new aggregate plant will be developed near Kampala to meet the urban centre's requirements. Local ceramic clays, kaolin, quartz and feldspar are utilised in the brick, ceramics and glass industries. An expansion in the use of these raw materials is expected with the planned growth of the economy.

11.90 Tungsten (wolfram) output and exports depend upon the level of ore prices, which show substantial fluctuations. A new smallholder mine was established in Masaka District. Ore exports rose from 106 tonnes in 1966 to 224 tonnes in 1970, and unless the price moves adversely, are expected to reach 300 tonnes by 1976, as the result of production expansion programmes now in progress. Tin and beryl ores are also commercially exploited. Tin production is expected to remain more or less constant at its present level of 200 tonnes. Uganda at present exports beryl ore in unprocessed form at a rate of about 250-400 tonnes per year.

C. *Stimulation of Private Activity*

11.91 Expenditure in mineral exploration and processing, particularly the former, involves a very high degree of risk since the outcome is unknown. Limited Government resources do not permit the kind of expenditure required for intensive and thorough exploration of promising areas. Where field surveys demonstrate mineral potential, it is to the nation's benefit to encourage private exploration and exploitation. This can only be encouraged by a clear statement of Government policy on mineral exploration and mining and by a liberal treatment of risk capital. Government will therefore establish a new mining code which meets these requirements.

D. *Training*

11.92 During the Second Plan period, a mineral prospector school was established by the Geological Survey Department to train a sub-professional cadre in the techniques of mineral prospecting. The first group of eight completed their programme in early 1970. Additional prospectors will be trained during the Plan III period as required to meet the manpower needs of the economy.

11.93 A Department of Geology was established at Makerere University in 1969. Degree level professional education in geology and geochemistry will be instituted in 1972. Overseas training facilities will still be necessary to meet specialised manpower requirements in this sector, particularly for mining engineers and mining geologists.

E. *Finance*

11.94 The bulk of the mineral survey and exploration work is handled by the staff of the Geological Survey Department financed from the recurrent budget. Development budget requirements for the special studies, surveys and explorations, including additional equipment for the Geological Survey Department, are estimated at Shs. 5 million for the Plan III period.

III. Construction

A. *Assessment*

11.95 The Second Plan targets for construction were given in terms of factor income growth, expenditure and employment. Factor incomes from construction were planned to grow at 11.3 per cent per annum, at fixed prices over the Plan period, which was also the implicit planned growth rate of total construction investment measured at current prices. In the event, between 1966 and 1970, fixed price construction G.D.P. grew at an average rate of 11·8 per cent per annum, while construction investment measured at current prices grew at 11·2 per cent per annum. Employment in the construction industry grew from 29,200 in 1966 to 47,700 in 1970, an increase of 18,500, compared to the target increase of 12,000 for the whole Plan period.

11.96 The Second Plan also called for the establishment of a National Construction Company. This company was established in 1970, as a subsidiary of the National Housing Corporation, and competes on major construction projects. Plans for the establishment of a research unit to investigate costs of building materials and methods of improving labour efficiency were not implemented.

11.97 The expansion of construction activities brought into sharp focus the shortage of skilled, technical and managerial manpower, particularly among Ugandans. The scarcity was met in part by recruiting the required manpower from outside Uganda for skilled workers and supervisors, and overseas for managerial and professional skills.

B. *Targets and Programmes for Plan III*

11.98 The Plan targets for construction are:—

(i) a rapid growth of output. Gross construction output, measured at current prices, is expected to reach Shs. 970·0 million by 1976; value added at fixed prices is planned to grow at 6·6 per cent per annum between 1967/69 and 1976;

(ii) substantial progress towards Ugandanisation of the ownership of the industry;

(iii) a reduction in the growth of construction costs; and

(iv) a growth in paid employment in the construction sector of 8·0 per cent per annum, creating over 20,000 jobs over the plan period, together with significant progress in Ugandanising paid employment in the industry by 1981.

11.99 The construction industry in Uganda is characterised by the predominance of a few large expatriate owned companies, particularly in the civil engineering sector of the industry, and by a number of smaller firms, of both expatriate and Ugandan ownership, which operate mainly in the building trade. This pattern is undesirable, both because the small number of the companies which are in a position to compete for large contracts prevents the full exploitation of competition to reduce costs, and because of the need to Ugandanise this vital sector of the economy.

11.100 Several special measures are envisaged to alter the structure of the industry. First, the establishment of the National Construction Company has strengthened competition on larger contracts, and has increased the Ugandan share of construction activity. Early in the Plan, the National Construction Company will be fully integrated into its parent body, the National Housing Corporation, to form the National Construction Corporation, in order that its effectiveness in the construction industry may be enhanced. Secondly, as an additional measure to the cost margins already allowed to Ugandan companies competing for Government contracts, all such contracts of value of less than Shs. 500,000 will be reserved for construction companies whose majority ownership is Ugandan. This measure will in the first instance adversely affect the development of competition, but, in the longer run, through encouraging the establishment of a larger number of Ugandan construction companies, will have a favourable impact in this regard. Thirdly, to increase the volume of construction work available to the commercial sector of the construction industry, and to encourage Ugandan enterprise, Government is to reduce its own construction capacity within the Ministry of Works and Housing, and will rely much more heavily on contract work carried out by the National

Construction Corporation or by private firms. Only when contractors are not available, or when jobs are so small that the use of contractors is not worthwhile, will Government continue to do its own construction work.

11.101 These measures are designed both to achieve Ugandanisation of ownership and to reduce the growth in construction costs. In addition, several further measures designed to assist in slowing down the growth of costs will be carried out. First, the Central Materials Laboratory in the Ministry of Works and Housing is to be expanded to enable it to undertake research to develop new building materials and to investigate low cost construction techniques. One area which requires special investigation is the development of repetitive building methods which offer opportunities for cost reduction both through increased specialisation and through the improvement of labour productivity associated with repetitive manual operations. The Central Materials Laboratory will investigate the scope for the use of repetitive methods on Government contracts. The capital cost of expanding the laboratory is estimated as Shs. 4·0 million.

11.102 The existing building codes of practice are to a large extent out of date, and are in any case based substantially upon conventions prevailing in Europe. In many cases the codes embody regulations which are not relevant to Uganda, and which therefore raise costs unnecessarily. Government intends to draw up new codes of practice, specially designed to meet the needs of Uganda, and to take account of new building materials and techniques which have been developed.

11.103 The unsatisfactory features of contractor finance have been enumerated in Chapter Eight. Because projects financed under such arrangements are not subject to competitive bids, costs are very much higher than in cases where no financing arrangements by the contractor are involved, even taking into account the interest benefit associated with deferred payment. Accordingly, no new contractor finance arrangements will be entered into during Plan III.

11.104 A major part of the costs incurred by contracting companies are overhead costs, which bear little relation to the volume of work carried out. A major cost saving can therefore be achieved by ensuring that construction capacity is utilised continuously and evenly. Government, as the largest single user of construction capacity, will endeavour to see that the construction projects which this Plan involves are phased as evenly as possible over the Plan III period. In addition, if this proves feasible, Government will endeavour to provide the construction industry from time to time with an advance indication of major Government construction projects likely to be implemented, to assist companies in forward planning the use of their construction capacity.

11.105 A review of the fee structure of the various professional societies associated with the building industry will be carried out. Fees at present are normally linked to contract values, and thus tend to operate to increase costs.

11.106 Mention has already been made of the preponderance of non-Ugandans in paid employment in the construction industry, particularly in the skilled trades. In order to promote rapid Ugandanisation of employment in the industry, as well as to alleviate the present shortage of artisans and to provide for the growth of construction activity, Government is to expand its responsibilities in the training of craftsmen. To the extent that the measures envisaged reduce present shortages, they will help to control construction costs. The measures to be taken are:—

(*a*) expansion of output of the technical schools and vocational training centres (*see* Chapter Eighteen);

(*b*) expansion of enrolments at the Uganda Technical College, particularly in sandwich courses which facilitate on-the-job as well as formal training (*see* Chapter Eighteen);

(*c*) the establishment of the National Apprenticeship Scheme and of an Industrial Training Council (*see* Chapter Six);

(*d*) the introduction of craftsman training requirements as an integral part of Government contracts (*see* Chapter Six).

11.107 To the extent that skilled and unskilled labour are complementary, the provision of increased numbers of appropriately trained craftsmen will increase the opportunities for paid employment. Apart from this, and apart from Government's wages policy which is primarily designed to increase paid employment (*see* Chapter Six), the construction industry is particularly susceptible to measures to generate employment. Mention has been made of the opportunities for using labour intensive design methods in rural road construction (Chapter Six). In addition, all construction design work carried out within Government will take explicit account of the need to generate paid employment, and labour intensive designs and construction techniques will be used when this is feasible. An objective of the research on building materials and techniques carried out by the Central Materials Laboratory will be to identify labour intensive construction methods. In addition, wherever this is feasible and reasonably economic, Government will place bids in small units to encourage labour use, as well as to encourage small contractors. Government is also studying the feasibility of offering contract options with a bid or time limit differential to be made available to firms achieving high levels of labour utilisation.

Summary of Government Development Expenditure

11.108 The Plan III Government development expenditure on the projects described in this Chapter adds up to Shs. 352·8 million and is summarised below.

Table XI—8. Manufacturing, Mining and Construction: Government Development Projects*

Project Code Number	Programme/Project Title	Implementing Agency	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	INDUSTRIAL EXTENSION AND ADVISORY PROGRAMME		46·1	39·6
11–1	Development of Management Training and Advisory Centre/Industrial Development Centre	MI	8·3	8·3
11–2	Contribution to UDB—Small-scale Industry	MFP	10·0	10·0
11–3	Ntinda Industrial Estate	MI	14·8	14·8
11–4	Industrial estates in urban areas other than Kampala	MI	13·0	6·5
	CROP PROCESSING PROGRAMME		81·4	76·4
11–5	Contribution to UDB—Development of Cotton Ginning Industry	MFP	16·4	16·4
11–6	Contribution to UDB—Improvement of Coffee Processing	MFP	5·0	—
11–7	Contribution to ADC—Tea Processing Factories	MFP	5·0	5·0
11–8	Contribution to ADC—National Sugar Works	MFP	55·0	55·0
	FOOD MANUFACTURING PROGRAMME		2·0	1·0
11–9	Contribution to LDC—Milk Processing Units	MFP	2·0	1·0
	MISCELLANEOUS MANUFACTURING PROGRAMME		214·3	214·3
11–10	Contribution to UDC—Lira Textile Mill	MFP	60·0	60·0
11–18	Demonstration Saw Mill, West Nile	MAF	1·5	1·5
11–12	Government Printing Press—Phase II	OP	2·8	2·8
11–13	Prisons Industries Development	MIA	10·0	10·0
11–11	Contribution to UDC—Unspecified Industrial Projects	MFP	40·0	40·0
11–14	Contribution to LIF—Purchase of shares in industrial companies	MFP	100·0	100·0
	MINERAL INVESTIGATION PROGRAMME		5·0	5·0
11–15	Equipment and Facilities for Mineral Exploration	MMWR	5·0	5·0
	BUILDING RESEARCH PROGRAMME		4·0	2·0
11–17	Expansion of Central Materials Laboratory	MWH	4·0	2·0

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* The relationship between the bank and high priority allocation to each project is explained in Chapter Eight (paragraphs 8·7–8·10). The system of code numbers associated with each project is explained in Appendix I.

† O.P. = Office of the President.
M.F.P. = Ministry of Finance and Planning.
M.A.F. = Ministry of Agriculture and Forestry.
M.I. = Ministry of Industry.
M.M.W.R. = Ministry of Mineral and Water Resources.
M.W.H. = Ministry of Works and Housing.
M.I.A. = Ministry of Internal Affairs.

Chapter Twelve

TOURISM AND WILDLIFE DEVELOPMENT

12.1 Uganda enjoys a natural environment highly favourable for the development of tourism. The country offers to the visitor a pleasing climate, a fascinating variation of landscape, vast stretches of inland waters, an impressive flora, and, above all, large concentrations of a wide variety of wild game and bird life. All these, added to the proverbial friendliness of the people and the wide range of traditional cultures, constitute an adequate basis for a tourist industry many times larger than exists today.

12.2 Tourism benefits the Uganda economy primarily through the expenditure incurred by visitors within the country. This expenditure provides a source of income to those employed in hotels, restaurants and other enterprises offering services to tourists. A proportion of it also goes to sellers of local handicrafts and other items. Tourism thus contributes significantly to Uganda's Gross Domestic Product. This contribution is expected to increase, as tourism faces brighter demand prospects than most agricultural export industries which hitherto have generated such a large proportion of total G.D.P. The importance of tourism for employment generation is also considerable, owing to the labour intensive character of the services demanded by tourists. Finally, Uganda encourages tourism also because of its immense role in enhancing international understanding.

12.3 In examining tourist traffic in Uganda, it is useful to distinguish between visitors from outside the country and holiday-makers from within the country itself. Reliable data exists only in respect of the first category, which also is the more important from the point of view of economic development. It is this category of visitor that this Chapter is mainly concerned with. Available data show that the number of visitors to Uganda increased from 38,000 in 1967 to 80,000 in 1970. Apart from several definitional defects in these estimates, part of the indicated growth merely reflects improvements in the coverage of the statistics—a factor which needs to be fully taken into account in any projection of future tourist traffic flows. Of the recorded number of visitors, the majority come from Western Europe and North America. Most tourists come to Uganda by air, and the growth of air charter package tours has contributed significantly to the expansion of tourist traffic in recent years. Taking all relevant considerations into account, a target number of 180,000 foreign visitors to Uganda has been set for 1976. This represents an increase of 15 per cent per annum over the 1971 level.

12.4 The expansion of tourism is especially important for development because expenditures by tourists add directly to the foreign exchange receipts of the country. A part of the receipts are, of course, used to finance the import costs entailed in the provision of supplies and facilities for the tourists.

However, according to studies made in other African countries, the foreign exchange costs of the tourist industry amount to less than half of the gross foreign exchange earnings of the industry. In the past, numerous estimates have been made of Uganda's gross foreign exchange earnings from tourism, and in the case of some of the estimates there has been a clear exaggeration of earnings. During Plan III, tourist expenditure surveys will be conducted to provide a firm basis for estimating receipts. Even before such surveys are completed, however, some idea of the order of magnitude of foreign exchange earnings from tourism is necessary for planning purposes. On the basis of the indicated composition of the total flow of foreign visitors, the likely typical length of visit and level of daily expenditure for each category of visitor, it is estimated that, in 1970, total expenditure within Uganda, by visitors from outside the country, amounted to about Shs. 65 million, *half of which was on account of* visitors on organised tours. As a target, the level of this expenditure is estimated to reach Shs. 150 million in 1976, a 130 per cent increase over 1970. This is an estimate of the total expenditure by foreign visitors and therefore represents *gross* foreign exchange earnings by Uganda. The corresponding *net* foreign exchange earnings are smaller than this estimate by the foreign exchange costs of current and capital inputs into tourist services and facilities and, in addition, by the amount of profits which foreign-based enterprises operating in the Uganda tourist industry remit outside the country. It is expected that the ratio of *net* to *gross* foreign exchange earnings from tourism will gradually increase in the future, as a result of the general progress in import substitution and the continuing Ugandanisation of the commerce and services sectors of the economy.

12.5 The achievement of the target inflow of tourists and of tourist expenditure in Uganda requires action to be taken not only to attract more visitors to come to Uganda (perhaps in preference to other destinations), but also to induce such visitors as do actually come to stay longer and spend more in the country. The specific strategy to be adopted in this connection during Plan III involves considerable development and diversification of the country's tourist attractions, substantial expansion and improvement of tourist accommodation and transport facilities, more effective tourist promotion activities, and institutional improvements in the management of the tourist industry.

I. National Parks and Wildlife

12.6 To most tourists, the fauna and flora of Uganda are the most important attractions. These attractions are displayed at their best in the national parks and other designated wildlife areas.

12.7 There are, at present, three National Parks in Uganda: Murchison Falls, north-west from Kampala; Queen Elizabeth in the west; and Kidepo Valley in the extreme north-east of the country. The three together cover an area of some 6,500 square kilometres. National parks are intended to preserve part of the countryside in as natural a state as possible for the benefit of the nation. This benefit is economic (mainly in terms of the tourist activity centred on the parks) as well as cultural, recreational and scientific.

12.8 It is estimated that the number of visitors to the three national parks will grow from the 1970 level of 82,500 to about 170,000 in 1976. At Murchison Falls National Park, the most popular of the three, the number of visitors in 1976 is estimated to reach 70,000 compared with 30,000 in 1970 and 12,000 in 1966. To accommodate this growth, the physical accesses to the parks and the various other facilities within the boundaries of the parks must be improved and expanded. At the same time, adequate measures must be taken to ensure the continued status of national parks as arenas for nature conservation and study. The dual role of national parks impose constraints not only in the design of the internal development of the parks, but also in the determination of policy issues pertaining to the location of economic activities and the allocation of land resources. In deciding all relevant issues of this nature, Government will always ensure that the very important immediate and longer-term benefits of national parks are fully taken into account.

12.9 The national parks in the country are administered by the Board of Trustees of Uganda National Parks, a corporate body appointed by the Minister responsible. The Board is responsible for all current operations in the parks and the provision of capital facilities except lodges, major airfields, and the main roads traversing the parks. The Board finances its activities partly from park entrance fees and charges for sightseeing tours on its launches and vehicle hire services. In addition, it receives annual subventions from Government for both recurrent and development expenditures. During the Second Five-Year Development Plan, the Board spent about Shs. 7·5 million on capital development in respect of game viewing tracks, road improvements, staff housing, additional vehicles and launches, and various other items. During Plan III, further developments will be undertaken on the infrastructural and other service facilities in the parks.

12.10 The largest single component of Plan III expenditure in this field will be for the construction and upgrading of park roads and the provision of more game viewing tracks. Uganda National Parks maintain over 1,000 kilometres of roads and tracks in the three national parks. Due to constant use, a considerable proportion of the total road and track mileage is in a bad state of repair. As a consequence, along these roads and tracks, driving comfort is low and the wear and tear of park vehicles high. In rainy seasons long sections of the roads and tracks are hardly passable. This state of affairs and the anticipated growth in the number of park visitors calls for a major programme for the upgrading of park roads and tracks, and the construction of additional ones to provide convenient access from the new lodges to be built in the parks. In all, improvement and new construction work will be carried out on about 800 kilometres of road and tracks in the three national parks during Plan III, at an estimated cost of Shs. 15·9 million. Proposals for improving road access to the parks and other tourist attractions are described in Chapter Fourteen.

12.11 There has been a rapid increase in tourist air traffic to and from the national parks, particularly Murchison Falls. In view of the anticipated further growth in this traffic, appropriate action needs to be taken to improve and increase facilities for receiving aircraft in or near the parks. As mentioned in Chapter Fourteen, air access to Murchison Falls National Park will be improved by the opening of an international airport in the Northern Region. The new airfield may be some distance away from the park itself, and consideration is therefore being given to the construction of an entirely new airfield just outside the borders of the park capable of handling F.27 aircraft. The planned improvements at Kasese and Kidepo airfields are also primarily intended to facilitate access to national parks. A fuller description of these projects, together with the Plan financial provision for them, are given in Chapter Fourteen. The planned development of airstrips managed by Uganda National Parks consists of extensions to the Chobe Lodge airstrip, and new airstrips at Kateer Lodge in Murchison Falls National Park, Ishasha Lodge in Queen Elizabeth National Park, Katurum Lodge in Kidepo Valley National Park, and several other locations still to be determined. The Plan III provision for this work of light aircraft landing strips is Shs. 1·0 million.

12.12 As already mentioned, Uganda National Parks derive considerable revenue from their car hire service and sightseeing launch tour services in the parks. It is estimated that the current fleet of launches operates at a net profit in excess of 50 per cent. In order to handle the fast growing volume of visitors to the parks, it is planned to increase the fleet of road vehicles by about 40 and to provide two additional launches for both Queen Elizabeth and Murchison Falls National Parks. The car-ferries in both parks will also be replaced with larger craft. The Plan III provision for all these tourist travel facilities within national parks is Shs. 5·0 million.

12.13 During Plan III, there will be an expansion in the national parks ranger force, whose activities are vital for the preservation of the wildlife in the parks and the security of the visitors. Provision is made for additional housing for the force and for increasing the vehicles and other equipment at its disposal in order to enhance its mobility and general efficiency. Additional housing will also be provided for other junior and senior staff of Uganda National Parks. Provision is also made for additional schools, health facilities and office accommodation, camp site sanitation, and various other staff welfare and administrative facilities within the parks and at the headquarters of Uganda National Parks. The Plan III development expenditure allocation for all works and facilities covered in this paragraph is Shs. 7·5 million. The same allocation covers provision for the completion of the Conservation Centre at Paraa and the establishment of similar centres in the Queen Elizabeth and Kidepo National Parks. These centres are used for conducting educational programmes for school children and other park visitors in the role of wildlife preservation.

12.14 The Nuffield Unit of Tropical Animal Ecology, centred in Queen Elizabeth National Park, which has been studying wildlife habitat, health, and related problems for a number of years, is to cease to function early in Plan III. In order to continue the work of the Unit, Uganda National Parks is to establish an Institute of Ecology, and to equip it with the necessary laboratories and other facilities in all the three national parks. In the work of the Institute, particular attention will be paid to research in the ecology and dynamics of the elephant population which poses serious management difficulties especially in the Murchison Falls National Park. A Habitat Management Unit will be set up in this Park for the implementation of the findings of the Institute of Ecology. The setting up of both the Institute and the Habitat Management Unit and all essential research facilities is estimated to cost Shs. 1·0 million during Plan III.

12.15 In order to make the attractions of national parks more readily available to an increasing number of people and at the same time avoid excessive visitor flows to particular parks, new parks are needed especially in places nearer to centres of population than the present parks. Consideration is therefore being given to the opening of new national parks in areas where this is deemed to be the most beneficial use for the land in question. Two areas that appear to offer definite possibilities in this connection are the Toro Game Reserve and the region around Lake Mbura in Ankole District. A development expenditure provision of Shs. 10·0 million is made for the establishment of new parks during Plan III.

12.16 Outside the national parks, wildlife development and management is primarily the responsibility of the Game Department of the Ministry of Animal Industry, Game and Fisheries. The functions of the Department are: wildlife preservation and control, the organisation of game viewing and sport hunting in areas under its control, and the enlightenment of the general public on wildlife conservation matters. Considerable research is also undertaken to support these various activities. There are fifteen game reserves, fifteen controlled hunting areas, and eight sanctuaries under the jurisdiction of the Game Department. These wildlife conservation and development grounds add up to a little less than eight per cent of the total land area of Uganda. The Department normally earns enough revenues (from visitor fees, hunting licence charges, and the sale of animal meat and trophies) to cover its recurrent expenditures.

12.17 One of the most important continuing tasks of the Game Department is the control of poaching and other encroachment on game reserves. This has proved very difficult mainly because of inadequate staffing, mobility and communication facilities. The ranger staff of the Department is to be considerably expanded, and a special anti-poaching team will be established. A scouting aircraft will be provided for anti-poaching work, together with additional radio communication equipment, vehicles, firearms and camp equipment. All these facilities are estimated to cost Shs. 600,000 during Plan III.

12.18 The Game Department runs a zoological garden at Entebbe, where a wide range of wildlife species can be viewed. The main purpose of the zoo is educational and recreational. During Plan III, the Entebbe Zoological Garden will be expanded at a cost of Shs. 300,000.

12.19 The conservation responsibilities of the Game Department involve it in extensive game cropping activities. As a side product of these activities, a fair amount of game trophies and meat become available for sale. The main problem in exploiting this potentially important source of animal protein has been the high wastage of meat owing to lack of proper facilities for storage and transportation to urban markets. During Plan III, therefore, Shs. 300,000 is provided for setting up three cold storage units (in Karamoja, Acholi and Toro) and the acquisition by the Department of several refrigerated trucks for meat transport.

12.20 In an attempt to add a totally new dimension to the economic exploitation of the country's wildlife, a pilot project is to be undertaken to determine the technical and economic feasibility of eland ranching in Uganda. The project will be located at Greek River in Karamoja, and will involve the establishment and study of African Eland herds on an extensive fenced area under indigenous vegetation. The investigations will seek to define the food and water requirements of the African Eland, its reproduction and productivity, its disease problems, appropriate land management techniques, and other matters relevant to the possible development of commercial ranching based on this animal in selected areas of the country. The first phase of the pilot project is to last three years and will cost a total of about Shs. 200,000. It will be administered by the Game and Veterinary Departments of the Ministry of Animal Industry, Game and Fisheries.

12.21 Up to now, middle-grade personnel for the Game Department and Uganda National Parks have been trained outside Uganda. In many respects this has proved to be unsatisfactory, and it is therefore decided to start the training of this cadre of staff within the country during Plan III. The relative advantages of providing the necessary training in an independent institution or in association with the Institute of Ecology or the Veterinary Training Institute are being fully investigated before a final decision is taken on the detailed organisation and location of the training. Subject to this, Shs. 0·5 million is provided for development expenditure on the relevant training facilities during Plan III.

II. Tourist Accommodation

12.22 It is estimated that during the Second Five-Year Development Plan, total hotel and lodge bed capacity in the country more than doubled. However, this expansion has not been very effectively geared to demand. The greatest increase in capacity occurred in Kampala, mainly as a result of the completion of the Kampala International Hotel with 600 beds and the first phase of the Nile Hotel, both luxury-class hotels erected with Government funds. It is now known that the erection of the Nile Hotel was premature, considering the very low occupancy rates and consequent operating losses experienced at the Kampala International Hotel. There was an expansion of luxury and middle class private hotel accommodation in Kampala during the Second Five-Year Development Plan, in the form of both extensions to existing hotel units and the erection of new ones. In other parts of the country, the number of beds in hotels and national park lodges also increased considerably during the Second Five-Year Development Plan. Occupancy rates at these hotels and lodges varied from place to place and, of course, seasonally. While in a number of places occupancy rates were clearly below commercially desirable levels, it appears that at Paraa Lodge and Lake Victoria Hotel there was persistent pressure on available capacity throughout the period. The bed shortage at Paraa Lodge may have constituted an important bottleneck to an increase in the tourist inflow. One feature of the hotel development undertaken during the Second Five-Year Development Plan has been the very high unit construction cost which has adversely affected the commercial operating position of many of the new hotels, especially those owned by public corporations.

12.23 Despite the rapid growth in total bed availability during the Second Five-Year Development Plan, additional hotel facilities are still required to accommodate and encourage the further development of tourism. As in the past, the public sector will continue to be the main agent in hotel development, but private enterprise will be expected to play a full part, and joint public/private undertakings in this field will be particularly encouraged by Government. The volume and location of the additional bed capacity to be provided by the public sector will be strictly determined by demand considerations. Special attention will be given to measures for keeping hotel erection costs low, and to the construction of attractive facilities which blend traditional designs and materials with modern conveniences and comfort. During Plan III, hotel development by the public sector will be concentrated in areas outside Kampala; it is in these areas that shortages are more liable to occur as private hotel enterprise is not easily attracted to them. As a result of the institutional re-organisations described in Section IV of this Chapter, Government's sole agent in the hotel industry (as in all other commercial activities in the tourism sector) will be the Tourist Development Corporation (T.D.C.).

12.24 A new lodge of 200 beds is under construction at Pakuba, downstream from Paraa Lodge in Murchison Falls National Park. The lodge, to be owned by the T.D.C., is estimated to cost a total of Shs. 14·2 million, of which only a small portion falls within the Plan III period. Another 150-bed lodge, to cost Shs. 9·0 million, is planned to be erected, by private interests, in the same area of the Park, on the south bank of the Nile. The completion of both these projects will result in a 150 per cent increase in bed space in Murchison Falls National Park. An even greater proportionate increase in bed capacity is planned in Queen Elizabeth National Park with the erection of two new lodges in the Park. One of these will be sited at Ishasha, in the extreme south of the Park. The Ishasha Lodge is to be set up by the T.D.C. It will cater for tourist traffic to and from the Congo and will provide badly needed accommodation in the area of the tree-climbing lions, a major attraction of the Park. Detailed market studies will be made to determine the optimum size of the Lodge, but it will probably offer 100 beds and cost about Shs. 8 million. The second new lodge in Queen Elizabeth National Park will be a private project. It will provide 150 beds at Kichwamba, in the northern section of the Park. Partly because of its isolation and partly because of the very limited facilities at present available there, the Kidepo Valley National Park has had only a handful of visitors in the past. Up to now, the only accommodation available in the Park was at the small rest camp at Apoka which has no catering service. As one measure to relieve the situation and enable a greater number of visitors to enjoy the very special attractions of this Park, work has started on the erection of a 100-bed lodge at Katurum, in the Park. The Lodge, to be owned by the T.D.C., is due for completion in 1972, and will cost Shs. 4·0 million during the Plan III period. The Toro Game Reserve is situated mid-way between the

Murchison Falls and the Queen Elizabeth National Parks. The Reserve contains the largest concentration of Uganda Kob in East Africa, as well as a fascinating variety of other game. In order to facilitate the exploitation of the major potential of this Reserve as a tourist attraction, a new 80-bed lodge, to be owned by the T.D.C., is being constructed at the south end of Lake Albert, where sport fishing provides an additional attraction. The lodge, estimated to cost Shs. 5·3 million, will be ready for use early in 1972. Private entrepreneurs are also showing interest in erecting a second lodge in the Reserve, probably during the later part of Plan III.

12.25 There will also be an expansion in hotel accommodation in up-country centres outside the national parks and game reserves. In addition to meeting the needs of Government and business visitors to the headquarters of South Karamoja District, the new 42-bed hotel under construction at Moroto will serve a very important function in the integration of the Kidepo Valley National Park into the pattern of tourist movements, by providing overnight facilities on the way to and from the Park. Other new hotel units, to be owned by the T.D.C., are under construction at Arua and Kitgum and will be completed very early in the Plan III period. The extension and modernisation which is currently under way at the White Horse Inn at Kabale is similarly due for completion during the first year of the Plan. In addition, several Government rest houses will be set up in various parts of the country. The foundation stone of the Aru Falls Hotel has been laid, and the most appropriate size of the Hotel is now being finalised.

12.26 As already stated, there appears to be an excess of luxury hotel accommodation in Kampala. The capacity of this class of facilities available in the City at present is considered to be adequate to meet demand throughout the Plan III period. Studies are under way to determine the most effective use and development of the newly constructed Nile Hotel in Kampala. In particular, the Government is making efforts to secure the participation of reputable private firms in any further development of the Hotel which may be necessary. There does appear to be considerable room for expanding medium-priced hotel accommodation in Kampala and certain other places in the country, and it is in this field that Government expects private enterprise to concentrate during Plan III. The T.D.C., however, will undertake further developments at the Lake Victoria Hotel, Entebbe, where, in addition to the provision of conference facilities, bed capacity will be increased by 80 during the Plan period.

12.27 Table XII—1 gives an overall picture of the increase in beds achieved during the Second Five-Year Development Plan and the planned expansion during Plan III. The indicated increase in bed capacity between 1971 and 1976 relates only to projects anticipated with a fairly high degree of certainty. With regard to private hotel capacity in Kampala, however, the expansion given in the table is only an estimate of the likely scope for additional middle-class hotel accommodation in the City. It is estimated that throughout the period of the Second Five-Year Development Plan, 150–200 beds were offered in private hotel facilities in up-country towns and holiday resorts. Table XII—1 does not cover any estimates of beds in this type of facility. During Plan III, Government will make a capital contribution of Shs. 20 million towards the financing of the hotel expansion programme of the T.D.C. The balance of the cost of the programme will be financed by the Corporation from its own resources.

Table XII—1. Hotel, and Lodge Capacity Expansion During the Second and Third Five-Year Development Plans.

Names of Hotel/Lodge	June, 1966	June, 1971	1976
I. HOTELS IN KAMPALA/ENTEBBE AREA:			
(*a*) Private*	365	705	1,000†
(*b*) T.D.C. Hotels:			
(1) Kampala International Hotel	—	600	600
(2) Nile Hotel	—	135	135
(3) Lake Victoria Hotel	180	180	260
TOTAL	545	1,620	1,995
II. LODGES IN NATIONAL PARKS AND GAME RESERVES:			
(*a*) Queen Elizabeth National Park:			
(1) Mweya Safari Lodge	60	96	96
(2) Ishasha Safari Lodge	—	—	100
(3) Private Lodges	—	—	150
SUB-TOTAL	60	96	346
(*b*) Murchison Falls National Park:			
(1) Paraa Safari Lodge	56	150	150
(2) Paraa Tented Comp	15	15	15
(3) Chobe Safari Lodge	70	70	70
(4) Kateer Safari Lodge, Pakuba	—	—	200
(5) Private Lodges	—	—	150
SUB-TOTAL	141	235	585
(*c*) Kidepo Valley National Park:			
(1) Apoka Rest Camp	32	32	32
(2) Katurum Safari Lodge	—	—	100
SUB-TOTAL	32	32	132
(*d*) Toro Game Reserve:			
(1) Semliki Safari Lodge (including tented accommodation)	21	21	21
(2) New Semliki Lodge	—	—	80
SUB-TOTAL	21	21	101
TOTAL—Lodges in National Parks and Game Reserves	254	384	1,164
III. T.D.C. HOTELS IN OTHER LOCATIONS:			
1. Tropic Inn, Masaka	32	32	32
2. White Horse Inn, Kabale	33	33	63
3. Hotel Margherite, Kasese	50	50	50
4. Masindi Hotel, Masindi	38	38	38
5. White Rhino Hotel, Arua	—	—	42
6. Acholi Inn, Gulu	33	33	33
7. Hill Top Hotel, Kitgum	—	—	32
8. Lira Hotel, Lira	—	60	60
9. Soroti Hotel, Soroti	—	42	42
10. Mount Moroto Hotel, Moroto	—	—	42
11. Mount Elgon Hotel, Mbale	60	60	60
12. Rock Hotel, Tororo	32	32	32
13. Crested Crane Hotel, Jinja	40	40	40
TOTAL TDC Hotels in other locations	318	420	566
TOTAL I, II, AND III	1,117	2,424	3,725

* The following hotels are included: Grand Hotel, Equatorial Hotel, Tourist Hotel, Fairway Hotel, Silver Springs Hotel, Speke Hotel, Park Hotel.

† Forecast.

12.28 In order to improve the functioning of the hotel industry generally, Government will sponsor the establishment of a central reservation service, and introduce a hotel classification system based on accepted international standards. The prices charged by state-owned hotels and lodges will be continually reviewed to ensure that what visitors obtain for their money compares favourably with what other institutions, in and outside Uganda, offer.

12.29 An investigation of the manpower and training requirements of the hotel industry is to be undertaken as part of an overall survey of the tourist sector (*see* paragraph 12.37). On the basis of the study, steps will be taken to re-organise and expand the relevant training facilities, possibly in co-operation with neighbouring countries. Meanwhile, the on-the-job training activities of public agencies engaged in the industry will continue. In addition, the Uganda College of Commerce is to offer a training course in hotel and institutional catering.

III. Tourist Circuits and the Diversification of Tourist Attractions

12.30 At present, there is one major movement circuit used by tourists in Uganda, particularly those taking part in organised tours. This is the triangular circuit connecting Entebbe/Kampala, Murchison Falls National Park and the Queen Elizabeth National Park. For those tourists who spend only three or four days within Uganda, the visit to Queen Elizabeth National Park may be omitted. Steps are being taken to develop a second important circuit along which tourists would move from Entebbe/Kampala to Murchison Falls National Park and on to the Kidepo Valley National Park. From there, tourists would either return to Kampala/Entebbe or would go by road into Kenya. Another circuit to be developed would enable tourists to visit attractions in Uganda and those in Rwanda and the eastern Zaire in one convenient trip. Entebbe/Kampala and the new international airport being built in eastern Zaire would be the terminal points in this new circuit. The establishment of the new circuits will depend primarily on the provision of accommodation facilities at convenient points and the development of infrastructural transport facilities serving the tourist attractions in question. The relevant development proposals regarding both these types of facilities, and their relation to tourist attractions, are described in Section II of this Chapter and in Chapter Fourteen and are summarised in Map C. The planned development of an international airport in the Northern Region is particularly important for the establishment of the new northern tourist circuit.

12.31 Although tourists come to East Africa primarily for game viewing in one or more of the countries of the region, there is a group of visitors who are interested simply in a relatively inexpensive holiday abroad. A substantial proportion of this latter group fly to and from East Africa in group charters and, at present, spend most of their stay on the Kenya and Tanzania coast. Some tourists, of course, combine game viewing and a holiday on the beach. Uganda mainly attracts and has provided facilities for game-viewing tourism. During Plan III, more attention will be given to the diversification of tourist attractions in order to cater for visitors of a wider spectrum of interests and financial means. One approach that offers particularly promising prospects in this regard is the development of holiday resorts. Possible sites that can be developed for this purpose are Lake Nabugabo, Lake Bunyoni, and a number of the islands in Lake Victoria whose natural beauty offers an appropriate holiday setting. Through the provision of low-cost accommodation, infrastructure, and organised sporting and other recreational facilities, a considerable flow of visitors (foreign and Ugandan) would be attracted to these spots, possibly as an alternative to holidaying on the Indian Ocean coast. Government will give every possible encouragement to private initiative in the development of holiday resorts of this nature. Consequent upon careful investigations of the financial and managerial implications, public sector agencies may themselves engage directly in this line of development.

12.32 In addition to catering for a broader range of visitors, the diversification of tourist attractions also encourages visitors to stay longer in Uganda. The main scope for inducing longer visits in Uganda lies in the further development of the various outdoor sporting facilities for which the country is naturally suited. Accordingly, Government will undertake or assist the promotion of such sport as mountaineering (especially in the Ruwenzoris); sport fishing on the River Nile, Lakes Albert and Victoria, and in mountain streams; sailing on Lake Victoria; and hunting. Development work on the country's archaeological and historical sites (described in Chapter Twenty), as well as the expansion of cultural and recreational facilities in Kampala and other towns will similarly increase opportunities for tourists to spend a longer period in Uganda usefully. A feasibility study is to be made of a possible luxury steamer service on Lake Albert, from the western edge of Murchison Falls National Park to the Toro Game Reserve. Such a service, if feasible, would provide an alternative to the road trip between the two game areas and would constitute a major new tourist attraction in itself.

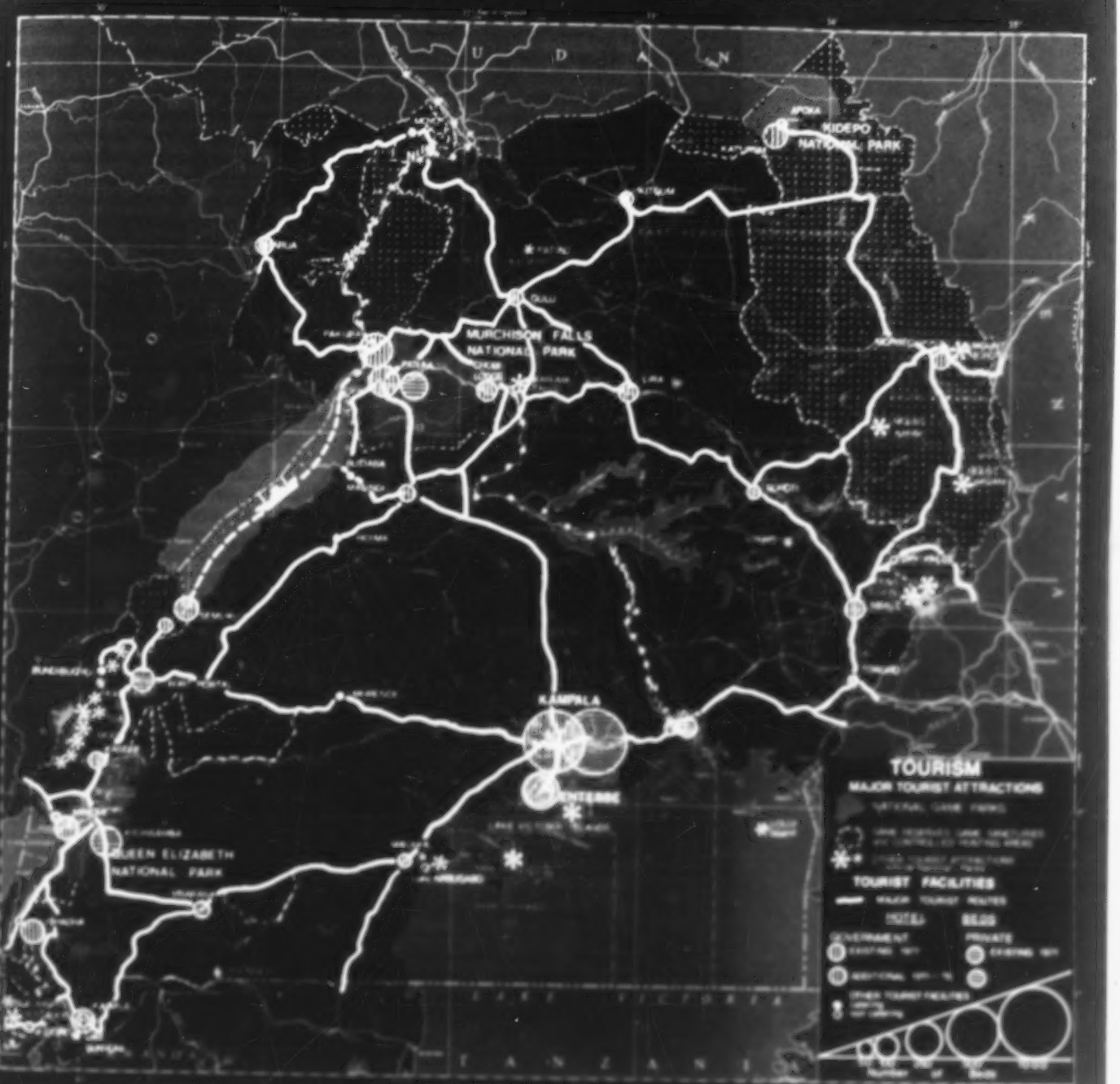
IV. The Management and Promotion of the Tourist Industry

12.33 The development and promotion of tourism is at present handled by a variety of agencies. In addition to the large number of private operators in all facets of the industry, there have been several separate public bodies engaged directly in tourist activities. For many years, the Uganda Development Corporation, through its subsidiaries, has been running a country-wide network of hotels and lodges, and organising hunting expeditions. In 1969, the Uganda Tourist Board was created by an Act of Parliament. Although in its first years the Board concentrated its efforts on tourist promotion, its statutory powers permitted it to undertake a wide range of activities in all areas of the industry, and the Board has actually been preparing ambitious investment plans in the industry. Until 1971, the Kampala International Hotel was administered by a public corporation distinct from both the Uganda Development Corporation and the Uganda Tourist Board. As mentioned earlier, there are, in addition, the Game Department of the Ministry of Animal Industry, Game and Fisheries, and Uganda National Parks, both of which are intimately involved in tourist development activities. Not only did all these agencies operate, by and large, independently of one another, they also had different parent Ministries.

12.34 For some time, there has been an obvious need for rationalising the institutional arrangements for the participation of the public sector in the

TOURISM DEVELOPMENT

MAP C


S U D A N
KIDEPO NATIONAL PARK
MURCHISON FALLS NATIONAL PARK
QUEEN ELIZABETH NATIONAL PARK
KAMPALA
ENTEBBE
GULU
LIRA
T A N Z A N I A
TOURISM
MAJOR TOURIST ATTRACTIONS
NATIONAL GAME PARKS
TOURIST FACILITIES
MAJOR TOURIST ROUTES
HOTELS
GOVERNMENT
PRIVATE
EXISTING 1971
EXISTING 1971
Number of Beds

tourist industry, particularly with a view to eliminating the duplication of efforts and overlapping of responsibilities, centralising regulatory and promotional activities and separating regulatory powers from any direct commercial interests in the sector. The recent transfer of ministerial responsibility for tourism to the same Ministry as is responsible for Uganda Hotels was only an initial step in the rationalisation process. Other moves in the same direction which have been effected even more recently have been the placing of all wildlife development under one Ministry and the integration of all state-owned hotels under one public corporation. For the future, Government has decided to set up an entirely new corporation—the Tourist Development Corporation—which will hold and manage all Government interests in hotels, lodges and other tourist related activities of a commercial nature. The Uganda Tourist Board, Uganda Hotels Ltd., and National Park Lodges (Uganda) Ltd., will thus be integrated into the new Corporation. Responsibility for the administrative co-ordination and regulation of the tourist industry will be placed fully with the Ministry of Tourism, but all wildlife conservation and development (including the administration of national parks) will remain the responsibility of the Ministry of Animal Industry, Game and Fisheries. In general, the Ministry of Tourism will handle tourist publicity and promotional work as well as assist in the development and administration of a centralised hotel reservation service, the classification of hotels and the provision of other supporting services to the industry generally.

12.35 The development and successful operation of hotels, resorts, and ancillary tourist facilities requires such substantial investment and manpower resources that it simply cannot be satisfactorily undertaken by Government alone. Fortunately, there is evidence of considerable interest within the private sector in tourism-related activities. Government will do all that is necessary to assist the translation of such interest into profitable undertakings, and, as mentioned previously, it is expected that joint Government/private ventures will become a more prominent feature in the tourist industry.

12.36 Tourist promotion is a difficult and expensive task. In the future, fforts will concentrate as much upon the airlines and travel agencies as upon eneral publicity of the country's attractions. Because of the special expertise equired, Government will continue to utilise the talents of foreigners experienced n this activity, ensuring all the time that Ugandans gain the necessary skills by orking with these specialists. Uganda has established a tourist office in urope and has appointed public relations representatives in Britain and he United States of America. During Plan III, a tourist office will be opened n North America. Government also fully supports current moves, within the ast African Community, towards the development of a co-operative effort for more effective tourist promotion in foreign markets. As stated in Chapter Twenty-ne, it is planned to re-orient the work of Uganda's diplomatic missions abroad o that in future they devote more of their efforts to the promotion of the ountry's economic and commercial interests, including tourism. Steps will lso be taken to simplify, reduce or abolish, as appropriate, the various immigraon, customs and exchange control formalities with a view to minimising innvenience to visitors to Uganda.

12.37 Government is already taking steps to commission a full-scale study of all aspects of the tourist industry. The objective of the study is to provide a general strategy for the most economic and orderly exploitation of the tourist potential of Uganda over the coming decade together with detailed proposals for Government action within the framework of the recommended strategy. The study will yield a Master Plan for the development of the tourist attractions, infrastructure and services, the organisation and conduct of promotion activity, the management of the tourist industry generally, and the supply of trained manpower for the industry. Detailed investment studies of all major projects proposed in the Master Plan will also be carried out. Depending on the conclusions and recommendations of this comprehensive survey of the sector, a number of the specific projects and policy proposals mentioned in earlier sections of this Chapter may be modified during the course of the Plan.

V. Summary of Government Expenditure

12.38 The Plan III Government development expenditure on the projects described in this Chapter amounts to Shs. 62·3 million, and is summarised below according to major programmes.

Table XII—2. Tourism and Wildlife: Government Development Expenditure*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	Shs. m.
	GAME DEVELOPMENT PROGRAMME		1·9	1·4
12-11	Entebbe Zoological Gardens	M.A.I.G.F	0·1	0·1
12-1	Anti-Poaching Equipment	M.A.I.G.F	0·6	0·6
12-2	Refrigerated Transport and Cold Storage Units	M.A.I.G.F	0·1	0·1
12-3	Eland Ranching—Pilot Project	M.A.I.G.F	0·2	0·2
12-12	Introduction of training programmes in wildlife management	M.A.I.G.F	0·1	
	NATIONAL PARKS DEVELOPMENT PROGRAMME		40·4	27·9
12-5	National Parks—Improvement and Construction of Roads	M.A.I.G.F	13·9	11·9
12-6	National Parks—Light Aircraft landing strips	M.A.I.G.F	1·0	1·0
12-9	National Parks—Launches, ferries and hire vehicles	M.A.I.G.F	3·0	5·0
12-10	National Parks—Staff housing and facilities, miscellaneous equipment and Conservation Centres	M.A.I.G.F	7·1	5·0
12-7	National Parks—Institute of Ecology	M.A.I.G.F	1·0	1·0
12-8	National Parks—Establishment of new National Parks	M.A.I.G.F	10·0	
	HOTEL AND LODGE DEVELOPMENT PROGRAMME		20·0	20·0
12-4	Contributions to T.D.C.—Hotel Development	M.F.P	20·0	20·0

* The relationship between the bank and high priority allocations to each project is explained in Chapter Eight (paragraphs 8.7–8.10). The system of code numbers associated with each project is explained in Appendix I.

† M.F.P = Ministry of Finance and Planning

M.A.I.G.F = Ministry of Animal Industry, Game and Fisheries.

Chapter Thirteen

COMMERCE AND FINANCIAL INSTITUTIONS

I. Commerce

13.1 In this Chapter, commercial activity is defined to cover retail trading, wholesaling, importing and exporting (together with the domestic marketing activities preceding the actual export of goods). The essential role of all these services is to provide a channel through which producers dispose of their output and consumers satisfy their needs. The services are therefore vital to the expansion and smooth function of a monetary economy, as they constitute the link between producers of goods and the users of those goods. Needless to mention, the efficiency with which the intermediary role of commercial services is performed is an important determinant of consumer welfare.

13.2 The commerce sector constitutes a significant component of total economic activity in Uganda. The sector is currently estimated to contribute just under 20 per cent of monetary gross domestic product and about 5 per cent of total paid employment in the country. An important factor influencing the pattern and level of commercial activity is the performance of the commodity-producing sectors of the economy—agriculture and industry. This is so because, to a considerable extent, commercial activity consists of the distribution and export of domestically produced goods. The greater the volume of goods produced, the higher the level of commercial activity, and conversely. The other important determinant of commercial activity in Uganda is the import of goods from outside Uganda, as virtually all such imports entail domestic trading activity.

13.3 About two-thirds of all commercial activity in the country takes place in gazetted urban areas, and within this category, there is naturally a very heavy concentration of activity in Kampala and Jinja. The two outstanding features of commercial organisation in Uganda are, first, the very high proportion of small firms employing less than five people with or without regular salaries, and with annual sales not exceeding several tens of thousands of shillings; and, secondly, the predominant position of non-citizen enterprises in the sector. Whilst in the main urban areas there is increasing specialisation in commercial undertakings, the almost universal commercial institution elsewhere is the general trading store. By and large, the larger and specialised trading establishments are owned and operated by non-Ugandans, although in recent years there has been an appreciable movement of Ugandans into this field.

13.4 The Second Five-Year Development Plan anticipated that the output (value added) of the commerce sector would grow at an average annual rate of about seven per cent. This target was not attained, and actual growth averaged 2·2 per cent per annum between 1966 and 1970. As may be expected, the growth of employment in commerce also fell significantly short of the Plan target, although estimates relating to this aspect of the sector are not altogether very reliable. The failure to achieve the Plan growth target for commerce is attributable to several factors which have already been identified in Chapter Two. First, the shortfall in both agriculture and industrial production relative to Plan targets had its retarding influence on commercial activity. This was reinforced by a shrinkage of the import trade which resulted not only from the deliberately restrictive credit policies of the early years of the Plan, but also from the hasty implementation of measures for extended Government participation in the commerce sector. Finally, the manner in which the Trade Licensing Act, 1969, was implemented led to some serious dislocations in commercial activity, involving the closure of a large number of commercial establishments and the consequent contraction of activity.

13.5 The fact that commercial activity is predominantly in the hands of private enterprise, most of it organised in small operating units, renders it a difficult area for Government planning. In general, the scope for influencing the performance of the sector through direct Government spending on projects is limited, and the strategy will therefore be to institute policies and guidelines which induce the sector to grow in accordance with the objectives and priorities of national development. Government policies for the development of the commerce sector during Plan III are based on the experience gained in the past, and are designed to facilitate the most rapid growth of agriculture and industrial production, to enable goods and services to be made available to the consumer in the most efficient manner, and to correct some of the unhealthy features of the organisation of commercial activity in the country.

A. *The Ugandanisation of Commerce*

13.6 The gradual Ugandanisation of the economy is one of the four major development objectives highlighted in the Development Manifesto. As noted earlier in this Chapter, however, a very large share of commercial activity, extending even to the simplest trading functions, is handled by non-citizens. Government considers that this is an undesirable situation which needs to be corrected. Commerce offers perhaps the greatest opportunities for involving Ugandan entrepreneurship in the non-agricultural aspects of the economy and initiating it into modern management practices generally. It involves moderate capital resources and fairly simple organisational problems, compared with most other non-agricultural sectors. Commercial activity is regarded as the most promising breeding ground of future Ugandan industrialists and large-scale operations in other sectors. As it is, however, this potential for developing Ugandan business remains largely unexploited, as is evidenced by the extensive hold of non-citizens on the commercial life of the country. It is the objective of Government policy to bring about a significant increase in the share of total commercial activity handled by Ugandans over the Plan III period. In view of the variety of barriers to the rapid Ugandanisation of commerce, Government policy will have several mutually complementary facets, the main ones being the provision of training, credit, special protection and physical facilities to Ugandan traders, and the direct participation by Government in commercial operations.

13.7 The institution of special measures to expand the share of Ugandan activity in commerce is quite consistent with Government's policy of allowing maximum scope for foreign investment and enterprise in the development of the Uganda economy. Government, however, considers that the bulk of foreign enterprise should be directed to those essential activities whose undertaking is beyond the financial and managerial capacity of Ugandans. These activities would remain largely unattended to if much of the non-Ugandan capital and talents available to the economy were to remain tied up in simple trading activities which Ugandans can, with some assistance from Government, handle quite adequately. Government will therefore offer special encouragement to non-Ugandan traders to move into other sectors of the economy (such as industry, housing, large-scale agriculture) where their contribution would have a greater impact on development.

13.8 A trader cannot be successful unless he has a minimum knowledge of book-keeping, inventory practices, and the techniques of estimating consumer demand. These skills can, to some extent, be acquired from on-the-job experience, and the Ugandanisation policies described in Chapter Six will assist in expanding the opportunities for gaining such experience. However, the impact of on-the-job training in this field is likely to be limited, considering the magnitude of the problem. Government policy will, therefore, also extend to the provision of facilities for relevant formal training and for consulting and advisory services to traders. The Management Training and Advisory Centre (MTAC) will play an increasingly important role in all this. Greater efforts will be made to recruit the additional staff necessary to enable the Centre to mount a programme of assistance to Ugandan traders on a much more ambitious scale than has been achieved in the past. It is likely that the present fee structure of the MTAC has rendered the services of the Centre out of reach of the great majority of small traders. A continual review of these fees will therefore be made to ensure that they facilitate rather than hinder the performance of the Centre's true role with regard to small businessmen. The provision of formal training for Ugandan traders will continue to be centred at the Uganda College of Commerce, where a considerable expansion of intakes into the relevant courses is planned, as indicated in Chapter Eighteen. The same chapter also makes reference to a new College of Commerce which is to be set up in Jinja during Plan III.

13.9 The provision of credit, both short- and long-term, is another essential form of assistance to traders. The large and well-established traders can normally obtain commercial credit through the banking system. The provision of credit to smaller traders, however, is an expensive and difficult responsibility which the commercial banking system cannot be expected to undertake on a large scale. Such traders need assistance in determining their credit requirements and preparing loan applications; and continual supervision is required to ensure that the credit they receive is utilised effectively. During the Second Five-Year Development Plan, Government programmes for the provision of credit and similar other assistance to African traders met with only limited success. The funds available have been very limited, since many of the loans made available through the African Trade Development Fund were not repaid. Additional credit which was lent by the National Trading Corporation has been misused in a number of instances and the funds have been lost. These various difficulties arose because of the lack of proper assistance in preparing loan requests and, even more significantly, from inadequate administration and follow-up.

13.10 In the future, Government financial assistance to traders will be channelled through the Uganda Development Bank (UDB) (*see* paragraph 13.47). The extension and technical services associated with the credit programme will be provided by the MTAC and the Trade Development Section of the Ministry of Commerce and Co-operatives, in addition to the inevitable involvement of the UDB itself in such services. During Plan III, Government will make available Shs. 2·0 million to the UDB as a contribution to the total lending of the Bank to African traders. The State Trading Corporation (*see* paragraph 13.16) will not have any direct responsibilities in the provision or supervision of credit to traders, although, of course, it will have the usual freedom to extend sales credit to its customers. The basic goal of the traders' credit programme is to develop an ever increasing number of viable Ugandan traders whose demonstrated performance will enable them to secure finance through normal commercial channels.

13.11 In addition to the various measures referred to in preceding paragraphs, some degree of special Government protection is necessary to enable Ugandan traders to gain experience and confidence so that they can compete effectively in the wholesale and retail business. The Trade Licensing Act of 1969 gave the Government powers to restrict designated business areas and trading centres to Ugandan businesses. The application of the Act has had very uneven effects. In some instances, areas designated for Ugandans only have seen the successful replacement of non-Ugandan shopkeepers. In other areas, trading has come to a virtual halt at the expense of consumers who normally shopped in these centres. The application of the Trade Licensing Act will be reviewed to ensure that while its basic principles are observed, consumers are not unduly inconvenienced through its application. In general, relatively greater reliance will be placed on technical and financial assistance for the promotion of Ugandan traders than on the use of administrative regulations.

13.12 A great potential for Ugandanising the commerce sector lies in the development of consumer co-operative societies. However, during the Second Five-Year Development Plan, only limited progress was made in this field. By 1970, there were 14 consumer co-operative societies in Uganda. In view of the limited staff available, and the more pressing problems in the agricultural marketing sector, the Co-operative Department was not able to provide much assistance to the development of consumer co-operative societies. However, a major effort is anticipated in Plan III, and by 1976, it is intended to have at least one efficient consumer co-operative society in every major urban centre in the country. A central buying unit—the Uganda Consumer Co-operative Wholesale Society—will be developed to serve all co-operative retail stores in the country.

13.13 Another area in which African traders have encountered considerable difficulties is the availability of suitable trading premises at reasonable rentals. In general, the difficulties reflect the weak financial position of African traders which has not enabled them to compete effectively for premises in preferred locations. The rentals for commercial premises in the centres of most major urban areas are simply beyond the means of the typical African trader whose small volume of business cannot both cover the rent and earn a meaningful return on his efforts. Government considers its credit and other promotional programmes for African traders as the most effective and efficient means of increasing their rent paying capacity. As its contribution to the expansion in the general availability of trading premises, which must accompany the growth in trading opportunities if rents are to be kept within reasonable limits, Government will authorise the National Construction Corporation to engage in the erection of shop and office facilities for rent.

13.14 The National Trading Corporation (NTC) was established by Government in 1966 to serve as the main instrument for public participation in domestic trade and to promote the involvement of indigenous Ugandans in commercial activity. The Corporation took over African Business Promotions Ltd., from the Uganda Development Corporation, and the administration of the African Traders Development Fund from the then Ministry of Commerce and Industry. At the outset the NTC was given a monopoly on the import and distribution of selected products, including salt, rice, cement and sugar. Despite its monopoly powers, NTC showed only a small profit in its first year of operation and losses in 1967 and 1968. The losses occurred despite the fact that the trading margin on such items as salt and rice rose after their takeover by NTC. Moreover, the Corporation does not handle directy all the goods on which it enjoys a distribution monopoly. In several instances, it has designated producers as its distribution agents which, due to the agency fees payable to the Corporation, has only served to increase prices.

13.15 In May, 1970, Government announced its decision to control all import and export trade. To implement this, the Export and Import Corporation was established. Since most exports were already being handled by the various marketing boards, the Corporation concentrated its attention on imports, and designated a list of goods for which it took over monopoly import powers. There were, however, no facilities to enable the Corporation to import, store and wholesale these goods; and consequently, the Corporation appointed existing importers to act as its agents, upon payment of a fee. Marketing costs thus increased as no services were provided for the fee. In essence the Corporation ended by acting as an import licensing authority for the goods on which it had been given a monopoly.

13.16 Government has recently reviewed the operations of the National Trading Corporation and the Export and Import Corporation. Consequent upon this review, it has been decided to set up early in the Plan period, a new corporation, to be known as the State Trading Corporation (STC). The staff and facilities of the two existing corporations will form the core of the STC. Although the new corporation may be given monopoly powers in very special cases, as a general rule the STC will compete freely with the private sector in the import and distribution of goods. The general policy on imports and import control is described in Chapter Four, and as stated there, import licensing will henceforth be handled directly by the Ministry of Commerce and Co-operatives.

13.17 Apart from the State Trading Corporation, public participation in commercial activities will continue to be organised through other Government corporations. In particular, the internal marketing and exporting of agricultural produce will be carried out by the respective marketing boards—the exporting of coffee, cotton and tobacco remaining a state monopoly. The Agricultural Development Corporation, the Livestock Development Corporation and the Uganda Development Corporation will, as part of their continuing responsibilities, be necessarily involved in the internal distribution and export of most of the goods they produce. Some details of the development proposals relating to the activities of these various corporations and boards may be found in Chapters Ten and Eleven.

13.18 As a result of the May, 1970, decisions on state participation in business activity, Government was deemed to have acquired a 60 per cent holding in a number of commercial companies, including the oil distributing companies. By early 1971, joint ownership agreements had been signed with three of the oil companies, with Government purchasing 50 per cent of the equity of the companies concerned. A review of the extent of these arrangements was carried out in 1971, and, as announced in May of that year, the various oil companies are now free to operate alone or in partnership with Government. In the light of this reversal of policy, those oil companies which had signed joint ownership agreements with Government are free to renegotiate the agreements if they so wish. To the extent that Government continues to participate in these enterprises or any others primarily engaged in the distributive trades, its shares will be held by the State Trading Corporation.

B. *The Protection of Consumers*

13.19 The Ugandanisation of commercial activity is but a subsidiary consideration to the over-riding concern of Government to protect consumers from exploitation by traders. Exploitation of this kind is reflected primarily in high price levels, although short selling practices and discourteous services on the part of traders are also fairly widespread. There has been, for some years, a general concern about the prices of basic consumer goods. With the growth of the economy and increasing incomes, demand for food, clothing and shelter will rise; and the production of these goods and services must expand correspondingly if prices are to remain fairly stable. At the same time, if current prices do not provide a sufficient incentive for the expansion of output, real welfare will suffer.

13.20 However, in the short run an expansion in the output of a number of goods and services may not be possible. Also, production may be curtailed by a variety of factors unassociated with the state of demand. In such cases and circumstances, prices may rise rapidly, with severely adverse implications for the consumers' welfare. In addition, of course, Government policies themselves may cause or exacerbate general or particular price rises. All these various factors played a role in the very rapid increase of certain consumer prices during the Second Five-Year Development Plan. The introduction of the sales tax in 1968 constituted an important upward influence on the prices of a wide range of goods. Towards the end of the Plan, unfavourable weather conditions caused a decline in the production of a number of basic food crops. This, together with rapidly increasing Government deficits from 1969 onwards, contributed to the generally inflationary conditions of that period. During Plan III, Government will take various measures to maintain a much greater degree of price stability than has been experienced over recent years.

13.21 It is stated in the Development Manifesto that the primary goal of Plan III is to increase the production of goods and services at the fastest possible rate and this objective runs through all the policies and projects contained in this Plan. To the extent that a significant rate of expansion of output is achieved, price rises will be easier to contain. Moreover, the policy already stated in Chapter Three, to limit the expansion of money supply to the amount necessary to accommodate the increase in real output, will ensure that Government's financial policy does nothing to cause excessive price increases.

13.22 The level and behaviour of trading margins are also important determinants of consumer price levels. A variety of actions will be taken by Government to counter exploitative trading margins. The removal of Government import and distribution monopolies will stimulate competition among trading firms, and this will help promote efficiency, reduce marketing costs, and generally improve services to consumers. In order to ensure that the withdrawal of Government monopoly control does not lead to abuses on the part of private traders, and that consumers get the full benefit from improvements in efficiency, Government will set up a unit, within the Ministry of Commerce and Co-operatives, whose duty will be to keep continual surveillance over consumer prices, to receive and investigate consumers' complaints about prices, to recommend corrective action in cases where traders' margins are deemed to be unreasonably high, and to run a general consumer education service. Further to this, Government will control the retail prices of a selected number of basic consumer goods. The levels of these prices will be fixed on the recommendation of the Price Advisory Committee (see Chapter One), and they will fully reflect an allowance for an adequate trading margin over the relevant producer or import prices.

13.23 During the Second Five-Year Development Plan, legislation was enacted requiring all retailers to display prices of goods for sale. This measure was designed to increase the amount of information available to the consuming public and thus reduce possibilities of exploitation based on consumers' ignorance. Enforcement of the measure, however, was greatly limited because of lack of inspection staff. A new effort is to be made to enforce the law more effectively throughout the country.

13.24 Uganda, together with her Partner States in the East African Com munity, is moving towards full adoption of the metric system of weights an measures, and it is intended that by the end of Plan III the conversion will b completed. Some traders have used the opportunity afforded by the inevitab slow initial adjustment to the change-over to engage in various malpractic at the expense of the consumers. The Weights and Measures Bureau of th Ministry of Commerce and Co-operatives is giving special attention to th matter, and additional staff will be provided for the Bureau in order enable it to mount an intensified campaign against the problem.

II. Financial Institutions

13.25 The main financial institutions in Uganda are the Bank of Ugand the commercial banks, the development loan funds under Government contr the various development finance companies and credit institutions, and insuran companies. These institutions serve a variety of specialised functions but, wi exception of the Bank of Uganda, they all have a dual role in common. They a as a depository of funds which, in turn, they lend out. The institutions th serve as intermediaries between savers and investors. In the process of econom development the demand for the services of financial intermediaries grov quite rapidly in volume and variety, and further development will depen in an important way, on the extent to which this demand is satisfied.

13.26 Although many of the existing financial institutions have develop in spontaneous response to demand, several of them are the result of dire Government action either to stimulate particular forms of economic activi or to provide effective instruments for some economic or social policy. Ov the period of the Second Five-Year Development Plan the most importa developments in the financial infrastructure of the economy have been th establishment of the Bank of Uganda, the Social Security Fund, as well several finance companies, the gradual expansion of development finance activiti and the extension of direct Government participation in the activities of financ institutions generally.

A. *The Bank of Uganda*

13.27 The Bank of Uganda was established in 1966 with the specific fun tions of issuing legal tender currency, managing the country's foreign exchan reserves, and generally promoting a sound financial system conducive to t balanced development of the country. In addition, the Bank has been entrust with the administration of exchange control operations and the manageme of the Public Debt. The Bank of Uganda is thus the "central bank" of t country, and its establishment has given Uganda, for the first time, autonon in the conduct of monetary policy. In order to carry out its primary functio the Bank acts as banker and financial adviser to Government, and as bank to and supervisor of commercial banks and other credit institutions.

13.28 At its inception, the Bank of Uganda replaced the East Afric Currency Board as the authority for the issue of legal tender currency. Duri the course of the Second Five-Year Development Plan, the operations of t

East African Currency Board were substantially wound up, and currency issued by the Board ceased to be legal tender in April, 1969.

13.29 The Bank of Uganda accepts deposits from commercial banks, makes payments on their behalf, and provides inter-bank clearing facilities. It also provides assistance to the commercial banks through loans and the discounting of eligible assets. In the main, the Bank of Uganda regulates bank credit through the stipulation of minimum commercial bank cash reserve balances and liquid assets, and this is reinforced by the position of the Bank as lender of last resort. The Bank also relies on the use of selective administrative controls to direct the use of bank credit.

13.30 The role of the Bank of Uganda as supervisor of commercial banks and other credit institutions is intended primarily to protect the interests of depositors and to ensure that the operations of these institutions conform to the needs of the community and are in line with Government's general policies. This role is mainly executed through the processing of applications for licences for banking operations, and through regular inspections of banks and credit institutions.

13.31 The Bank of Uganda has gradually centralised, under its charge, the country's foreign exchange reserves. It has done this by taking over virtually all the foreign asset holdings of Government, and by establishing the maximum amount of foreign exchange balances which commercial banks may hold with their correspondents abroad, above which any excess must be sold to the Bank. The law requires the Bank of Uganda itself to maintain a minimum level of foreign exchange reserves relative to its demand liabilities. Closely related to its responsibilities regarding the management of the country's foreign exchange reserves is the Bank's administration of exchange control regulations. To assist the Bank of Uganda in this, the commercial banks have been authorised to handle most exchange control matters of a routine kind. In order to minimise inconvenience to the public consequent upon the institution of exchange control over transactions with Kenya and Tanzania, the Bank of Uganda has established outposts at the Kenya and Tanzania borders for the exchange of Uganda currency against Kenya and Tanzania currency and vice versa. The Bank has also installed a telex system to facilitate communication in foreign exchange dealings.

13.32 In its role as banker and financial adviser to Government, the Bank of Uganda holds Government's Exchequer Accounts and makes temporary advances (subject to a statutory maximum) to the Government to cover gaps between revenues and expenditure. The Bank also issues and undertakes the daily management of Government's long- and short-term debts as well as other public sector stocks.

13.33 The major item of capital expenditure by the Bank of Uganda during the Second Five-Year Development Plan was the erection of its new headquarters in Kampala, which was opened in 1970. Apart from providing improved working facilities, the new building has enabled all major operations of the Bank to be centralised in one premise.

13.34 During Plan III, the operations of the Bank of Uganda will become increasingly important for development, especially in view of the greater role which is to be assigned to monetary measures as an instrument of development policy. The Bank will manage the country's foreign exchange reserves in accordance with the general policy guidelines laid down in Chapter Three. The planned expanded borrowing by Government and other public sector agencies to finance development spending (*see* Chapter Eight) will also involve the Bank of Uganda in increased activity related to public debt management. More generally, the Bank will play the leading role in promoting the emergence of an active money and credit market in the country so as to facilitate the financing of Government and business investment and other requirements. In addition, the list of papers which the Bank of Uganda treats as eligible for rediscounting will be kept under continual review to ensure that, as circumstances change, the Bank's rediscounting policy always reflects the country's development priorities.

13.35 In order to enhance the efficiency of commercial bank management and to facilitate a rapid Ugandanisation of executive jobs in commercial banks, the Bank of Uganda will initiate a programme for the training of prospective bank managers and other top executives. The precise institutional arrangements for the organisation of the new programme are being finalised. This programme will be additional to the various current training activities undertaken by the commercial banks and the Bank of Uganda for their respective staff of all cadres.

B. *Commercial Banks*

13.36 Commercial banks are usually among the earliest of the financial institutions to develop in all countries, largely because of the special attractions of the current account facilities which they offer. The utilisation of commercial banking facilities is one indicator of the sophistication and monetisation of the economy. The use of the banking system by the economy is reflected in the relative proportions of cash and current account deposits held by the public. Private current banking accounts now form just under 50 per cent of the total money supply, and this ratio is expected to increase considerably as the economy develops, provided the banking system itself expands adequately.

13.37 In Uganda, commercial banks play the leading role in the mobilisation of savings and the supply of short-term credit. The growth and pattern of commercial banking business in Uganda over the last five years or so can be gauged from the data in Table XIII—1.

13.38 Several aspects of the operations of commercial banks, as depicted in Table XIII—1, call for comment. The growth in total deposits has been remarkable; in March, 1971, deposits were about 75 per cent higher than they had been in 1967. Much of the increase in total deposits was in the form of private demand deposits (current accounts), which almost doubled over the period. Total loans, advances and bills discounted grew considerably slower than deposits. This means that, taking the period as a whole, the liquidity of the banking system has been increasing. The advance/deposits ratio for all commercial banks stood at 79·9 per cent in June, 1970, compared with a ratio of 99·6 per cent in June, 1966. This ratio fluctuates widely seasonally and from year to year. Over the period covered by Table XIII—1, the ratio has ranged between 60 per cent and over 100 per cent. On the whole, however, there has been a noticeable upward trend in bank liquidity, which became more pronounced towards the end of the period of the Second Five-Year Development Plan. It is clear that banks have not managed to expand lending as fast as they have attracted deposits, and that the system as a whole was greatly under-lent for much of the Second Five-Year Development Plan.

13.39 In part, this situation must undoubtedly be associated with the restrictive credit policies and generally anti-private enterprise attitudes of the then Government, especially during the latter part of the period. It may also be that there were simply not enough sufficiently attractive opportunities for bank lending. In large part, however, the high liquidity position of the banks has to do with the lending policies of the banks. Interest rates charged on loans and advances may well be too high to attract a sufficient volume of borrowing. Government would like to see a re-examination of these rates, with a view to permitting a greater flow of bank lending, as also of bank deposits. In particular, it does appear that the differential between bank lending rates and rates payable on time and savings deposits needs narrowing. A greater degree of competition in this area would result in faster growing bank deposits and loans. In the future, Government will expect the banks to be more aggressive in their search for new deposits and for profitable lending opportunities, and it will use its position as part owner in all banks to promote this. On the whole, it is expected that Government's positive encouragement to private enterprise will provide the main stimulus to bank lending in the future.

13.40 There has been no distinctive movement in the pattern of commercial bank advances and loans during the Second Five-Year Development Plan. The proportion of total lending going to agriculture and trade has remained the same. The drop in the proportion of loans given for manufacturing has been offset by increased lending for building, real estate, personal use, and other miscellaneous purposes. It needs to be pointed out that the bulk of the loans and advances shown as going to "agriculture" in Table XIII—1 are generally for financing crop marketing activities and not for use by farmers in production. This latter is a field that has generally been shunned by the commercial banks, mainly because of the administrative problems involved but also because of the inability of most farmers to provide adequate collateral security. Similarly, most bank loans have characteristically been short rather than long-term. Government will seek some change in the attitudes of banks on both these matters, and anticipates a greater flow of bank resources to agriculture, and in the form of medium to long-term loans. However, medium-term and long-term lending, especially for agriculture production purposes, will remain predominantly the domain of Government financial institutions.

13.41 A very important role of commercial banks, which is not brought out in Table XIII—1, is in the financing of Government expenditure. Of total outstanding Treasury Bills of about Shs. 300 million in March, 1971, about Shs. 188 million (over 60 per cent) were held by commercial banks. Since mid-1970, the commercial banks have generally held a greater volume of Treasury Bills than has the Bank of Uganda which, until then, was the major holder. Similarly, the commercial banks have typically held the bulk (one-quarter to one-third of total outstanding) of Government stocks. The banks are expected to contribute to Government's financing needs in the future, to an even greater degree.

Table XIII—1. Commercial Banks—Growth and Pattern of Deposits, Loans, Advances and Bills Discounted, 1967–1971.

	1967 June	1968 June	1969 June	1970 June	1971 March
I. DEPOSITS—TOTAL	667·2*	820·7	870·4	1,071·6	1,179·6
(1) Private Demand Deposits ..	274·1	360·4	343·3	516·3	525·9
(2) Private Time and Savings Deposits	320·3	377·0	451·1	463·4	568·5
(3) Government Deposits ..	72·7	83·3	76·0	91·9	85·2
II. LOANS, ADVANCES, BILLS DISCOUNTED—TOTAL	586·7	647·3	801·7	853·8	965·9
(1) Agriculture	282·5	301·3	362·1	400·5	456·7
(2) Manufacturing	138·6	141·8	150·6	137·0	157·0
(3) Trade and Commerce† ..	111·2	150·7	187·1	178·4	177·1
(4) Other	54·4	53·5	101·9	137·9	175·1

NOTES: * Includes private sector deposits in foreign currency and data in respect of Ugadev Bank
† Includes foreign bills of exchange.

Source: Bank of Uganda, various publications.

13.42 The number of commercial banking firms contracted from nine in 1966 to six at the end of the Second Five-Year Development Plan. This was due to the withdrawal of one bank and the merger of two others, following the enactment of legislation (in 1969) requiring all banking institutions to be locally incorporated. However, over the same period, the number of banking branches, sub-branches and agencies has grown from 80 to about 130; there has thus been a considerable expansion in the availability of banking facilities to the community. In addition, by the end of the Second Five-Year Development Plan there were 156 locations served by mobile units operated by the commercial banks.

13.43. In view of the very important function served by commercial banks in mobilising funds within the community and thus promoting development and the extension of the monetary economy, Government is greatly concerned to see that the expansion of the banking system occurs at a pace sufficient not only to accommodate economic growth but also to provide a positive stimulus to such growth. As a minimum, Government would like to see established, during Plan III, full-time banking offices at all district headquarters which do not have such facilities at present, together with a significant expansion of mobile banking services to the smaller towns. Some rationalisation of the banking system is also needed. The Bank Supervision Department of the Bank of Uganda, in very close consultation with the commercial banks, is reviewing the present geographical distribution of banking services, with a view to eliminating unnecessary duplication in the services of the different banks. Measures will also be taken to improve other aspects of banking services to the public. In particular, the necessary changes in banking hours will be introduced to suit the convenience of the public to a greater degree than has been the case hitherto.

13.44 The Uganda Commercial Bank (UCB)—the only indigenous and fully Government-owned commercial bank in Uganda—was established in 1965 on the basis of the former Uganda Credit and Savings Bank. The UCB quickly established itself in the field of commercial banking, and developed a banking service specially designed to cater for the rural community and the self-employed businessman. During the course of the Second Five-Year Development Plan, 10 branches and sub-branches were opened by the Bank in all parts of the country, and the volume of deposits it handled rose threefold, from about Shs. 76 million in June, 1966 to over Shs. 200 million in September, 1970. The Bank will continue to expand its activities and business during Plan III. A new office building for the headquarters of the Bank in Kampala will be completed in early 1973, and the Bank will expand its network of branches and sub-branches so as to enable its services to reach an ever-widening section of the community.

13.45 During the Second Five-Year Development Plan, two important policy measures were taken to Ugandanise the ownership and operations of the Commercial Bank. In October, 1969, all commercial banks were required to incorporate locally, with a minimum capitalisation of Shs. 20 million each. Subsequent to this, in May 1970, the then Government declared itself to have acquired a 60 per cent share in the equity of all commercial banks, and an agreement (which entailed Government participation in a newly created merchant bank) was signed with one bank to this end. Following the overall review of the policy of public participation in business activity, Government has now decided to restrict its ownership interest to 49 per cent equity holding in commercial banks. In accordance with Government's new policy, any agreements entered into on the basis of the May 1970 pronouncements are open for re-negotiation if the banks so desire. It is estimated that the cost to Government of acquiring its share of equity in commercial banks will be Shs. 42 million during Plan III.

C. *Development Banks and other Credit Institutions*

13.46 The commercial banking system handles primarily short-term credit. However, the costs and risks involved in short-term credit to farmers have been such that the banks have not been willing to enter the field. Thus, the crop production needs of the farmers, and the medium and long-term funds required by co-operatives, traders and industrial enterprises are generally outside the areas of activity of the commercial banking system. Over the years, Government has established a number of institutions and funds to meet the various requirements in this area. The Development Loans Fund, which is administered by the Uganda Commercial Bank, channels loans for a variety of purposes to individuals and small companies. The Co-operative Development Bank, which began functioning in 1970, acts as the banker to the co-operative movement, and almost all loans to co-operative societies are at present channelled through this Bank. The Development Finance Company of Uganda provides equity and loan finance to industrial and agricultural enterprises. The Uganda Development Corporation has a number of subsidiaries dealing exclusively in financial activities. The Housing Finance Company provides loans and mortgages to individuals for housing construction.

13.47 Although all these operations are serving a most useful need, it is clear that a number of credit needs are not at present adequately provided for. This is so for two reasons. First, the administration of loan funds is inadequate, and supervisory assistance is often lacking. Secondly, the volume of credit is itself insufficient to meet worthwhile and legitimate demands. In order to overcome these problems, Government has decided to establish a new institution to be known as the Uganda Development Bank (UDB). In a gradual fashion, the new bank will take over Government-owned credit institutions and special development funds, and will reorganise these institutions into subsidiaries, in such a way that each subsidiary deals with specific sectors of the economy. In the first instance, the Development Loans Funds administered by the Uganda Commercial Bank and the Beef Ranching Development Project administered by the Bank of Uganda will be taken over by the new institution. Likewise, the staff and resources of the Co-operative Development Bank will be transferred to the new bank, but no change will be made in the operation of the Co-operative Development Bank as far as its special responsibilities regarding the co-operative movement are concerned. The Co-operative Development Bank will become an autonomous department within the UDB, but by virtue of its association with a large bank, it will have access to greater financial backing and improved managerial assistance. The new bank will be established on the basis of the assets of existing financial institutions, and these have been conservatively estimated at Shs. 80 million. The detailed sector operations of the UDB and the allocation of funds by Government to the bank, during Plan III, are described in the relevant chapters of the Plan.

13.48 The Development Finance Company of Uganda (DFCU) was incorporated in 1964 with public equity participation through the Uganda Development Corporation. During the Second Five-Year Development Plan, the DFCU made available over Shs. 24 million in loans and equity investment in industrial enterprises. After a period of rapid growth from 1966 to 1969, virtually no loans were made in 1970 as a result of the uncertainties created by the pronouncements of May of that year. With the new policy adopted in 1971, loan and equity investment activities should again expand rapidly and are expected to total over Shs. 50 million during the Plan III period. As part of the reorganisation of public financial institutions, the DFCU will become associated with the Uganda Development Bank rather than with the Uganda Development Corporation.

13.49 The East African Development Bank was established in late 1968 under the Treaty of East African Co-operation. It is designed to promote industrial development in East Africa and to facilitate a more equitable and complementary distribution of industries among the Partner States of the Community. Although the major equity holders in the Bank are the Governments of Uganda, Kenya and Tanzania, equity participation by financial institutions from within and outside the East African Community is also entertained. The Bank will not only receive loan applications from industrial firms but will also encourage the establishment of new units based on its market and feasibility studies programme. Up to the end of April, 1971, the Bank had made loans totalling Shs. 114 million, of which Shs. 36·7 million were to firms in Uganda. In 1970, there was a sharp drop in loans to Ugandan firms, but there has already been a very pronounced recovery. During Plan III, the Bank is expected to make loans totalling Shs. 500 million, of which a fraction more than one-third will be to Ugandan firms.

13.50 The Post Office Savings Bank has a wide geographical coverage within the country. However, deposits with the Bank remained stagnant over the Second Five-Year Development Plan. The low rate of interest offered and the expansion of the commercial banking system appear to be factors responsible for the absence of growth. During Plan III, efforts will be made to increase public use of the Savings Bank system. If the volume of deposits does not increase over the first two years of the Plan, Government will review the usefulness and economic viability of the programme.

13.51 There are several firms in the field of housing and building finance. Hire purchase financing, particularly for automobiles, is expected to expand substantially over Plan III. A significant part of this expansion will be the result of the re-introduction of car loans to civil servants which will be handled by a subsidiary company of the National Insurance Corporation. The rate of expansion of funds for both mortgages and car loans depends upon the ability of the credit institutions to attract deposits from the public. Chapter Nineteen on Housing contains a further discussion of the housing finance agencies. The Housing Finance Company of Uganda will become a subsidiary of the Uganda Development Bank.

13.52 Although not strictly a financial institution (in the same sense as the other institutions covered in this Chapter), a stock market provides an important means of channelling private savings into investment. The stock market's function is to provide a ready means of buying and selling outstanding stocks and bonds at prices set in the market. Individuals and institutions find it easier to buy new issues if they have a ready means of liquidating their holdings should the need for funds arise. In addition, a stock exchange will facilitate the implementation of Government's policy of encouraging business firms to sell shares to local investors. Government will therefore take steps to encourage the development of a stock exchange, brokerage houses, and related facilities, during Plan III.

D. *Insurance*

13.53 Insurance activities can be broadly broken into two types, life and casualty. The importance of the distinction lies in the fact that a part of the premiums paid for the first type must be put aside as reserves to fund future obligations to pay, while the premium payments for the second type are expected to cover current loss or damage claims plus operating costs. It is life insurance activity which generates substantial funds for investment and makes insurance companies another very important financial intermediary.

13.54 In 1970, all companies writing insurance policies were required to incorporate locally, with a minimum capitalisation of Shs. 5 million. As a result of the review of public participation in business, mandatory public participation in insurance is still required, but it will be restricted to 49 per cent of the equity of each insurance company. The cost to Government of acquiring its share of the equity of the insurance companies is estimated at Shs. 8 million. There are at present six insurance companies which are incorporated in Uganda, including the wholly public-owned National Insurance Corporation. This number of companies is considered to be adequate for the immediate requirements of the public for insurance. Although no recent data on premiums received and reserves held is available, it is likely that insurance companies as a whole will increase their premium income, particularly through expanded life insurance coverage, and their investment during Plan III will expand accordingly.

13.55 In order to strengthen local insurance operations in Uganda, a wholly Government-owned body, the National Insurance Corporation, was established in 1965. The Corporation is a highly successful insurance company, and now handles seven major branches of insurance—life, fire, motor, accident, marine and aviation, household, theft, as well as a large variety of other minor insurance activities. In order to accommodate the tremendous increase in business handled by the Corporation, eight branch offices were opened during the Second Five-Year Development Plan in various parts of the country, and early in Plan III, a new headquarters will be constructed in Kampala, at a cost of Shs. 5·0 million. During Plan III, the Corporation will continue to expand its operations by providing a comprehensive insurance service to the public, and at the same time mobilising domestic resources for investment purposes. It is anticipated that the Corporation will be able to invest at least Shs. 100 million over the Plan period. Part of this will be for the development of office buildings and staff facilities for the Corporation. The balance will be lent to Government, other Government corporations and the private sector for general development purposes.

13.56 Sound insurance policy requires the reinsurance of part of the risks underwritten. This reinsurance is at present carried with firms outside of Uganda and involves an expenditure of foreign exchange. Government will study the feasibility of establishing a locally-based reinsurance corporation, either alone or in co-operation with the other Partner States in the East African Community.

13.57 The Social Security Fund was established in 1969 to provide a measure of social insurance for all employees other than those serving on pensionable and contract terms. Various developments are planned for the future operation of the Social Security Fund, and these are described in Chapter Six. As the operations of the Fund expand, increasing amounts will become available from it for investment.

III. Summary of Government Expenditure

13.58 The Plan III Government Development Expenditure on the projects described in this Chapter amounts to Shs. 52·0 million, and is summarised below.

Table XIII—2. Commerce and Financial Institutions—Government Development Expenditure*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	PROGRAMME—COMMERCE AND FINANCIAL INSTITUTIONS		52·0	52·0
13–3	Contribution to UDB—Loans to Commercial Traders	MFP	2·0	2·0
13–2	Contribution to LIF—Purchase of Shares in Commercial Banks	MFP	42·0	42·0
13–1	Contribution to LIF—Purchase of Shares in Insurance Companies	MFP	8·0	8·0

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* The relationship between the bank and the high priority allocation to each project is explained in Chapter Eight (paragraphs 8.7–8.10). The system of code numbers associated with each project is explained in Appendix I.

† M.F.P = Ministry of Finance and Planning.

Chapter Fourteen

TRANSPORT AND COMMUNICATIONS

14.1 Uganda's transport and communication system is varied. There are 27,500 km. of main, secondary and other public roads covering all parts of the country. The railway network, consisting of about 1,500 km. of rail, extends to Kasese in the West, Pakwach in the North and, through Tororo, links with the Kenya network, thus providing a connection with Nairobi and Mombasa on the coast. Entebbe, the international airport of Uganda, is served by 15 international airlines providing scheduled flights to various parts of the world. In addition to Entebbe, there are 11 internal airfields available for scheduled or charter flights. Inland water transport services are provided on Lake Victoria. Part of Uganda's transport system consists of harbours in Kenya and Tanzania which serve a number of shipping lines. In telecommunications, there is a spread of post offices, telephones and telegraph facilities, covering all urban areas in the country.

14.2 The transport and communications system is an indispensable element in the economy, and plays an important facilitating role in economic development. It encourages and supports the growth of the agricultural, industrial and commercial sectors, by opening up new markets and by permitting the safe, economical and rapid movement of goods, people, and even services. The development of the system has a crucial influence on the location and pattern of economic activity and the settlement of population, and is central to any expansion of the tourist industry.

14.3 The various transport modes have important functions to fulfill. Uganda is a landlocked country, with an economy heavily dependent on the import-export trade. The railway system plays the vital role of linking Uganda to its nearest seaport at Mombasa, some 1,100 km. away. A possible alternative outlet, however, does exist across Lake Victoria by rail ferry from Jinja to Mwanza, and thence by the railway system in Tanzania to Dar-es-Salaam. Road transport plays the dominant part in the internal movement of goods and passengers, because of its great flexibility with respect to volumes, routes and timing. It is also particularly important for the development of commercial relations with Sudan, Zaire and Rwanda. Air transport serves as the major link between Uganda and the rest of the world for passenger movement. It is thus of special importance for the development of tourism. Air transport is also gaining significance in international freight traffic. Water transport is of significance only on Lake Victoria. Uganda is connected by regular ferry and steamer to Kisumu in Kenya, and Bukoba, Musoma and Mwanza in Tanzania, and limited services are provided between the mainland and the more important islands in the Lake. The pattern of Uganda's internal transport network is affected by a peculiar feature of the physical geography of the country—the existence of the natural barriers of the River Nile and Lake Kyoga. This hinders communication between different parts of the country.

14.4 The responsibility for and administration of the transport system reflects the complexity of the system itself. Railways, and part of the inland waterways system, are the sole responsibility of the East African Railways Corporation, which is jointly owned by Uganda and its two Partner States in the East African Community. Harbour operations on the Indian Ocean coast, and post offices and telecommunications facilities, are the monopoly responsibility of the East African Harbours Corporation, and the East African Posts and Telecommunications Corporation, respectively, which bodies are also owned jointly by Uganda, Kenya and Tanzania. Uganda is a joint owner (with Kenya, Tanzania and Zambia) of the East African National Shipping Line. The East African Airways Corporation—owned on the same basis as other East African Community corporations—has a monopoly of scheduled flights within East Africa, and also runs a sizeable network of international flights. The administration and control of airfields in Uganda is the responsibility of Government. Responsibility for the road system is divided between Government, which administers the most important roads, and local authorities, which maintain a much bigger mileage of local roads.

14.5 The transport and communications sector currently contributes about 6 per cent of total monetary gross domestic product. This contribution is smaller than in Tanzania, and considerably lower than in Kenya, which are countries at a similar stage of development to Uganda's. This difference is partly because of the relatively short haulage distances in Uganda—this would account for the differential with Tanzania—and partly because much of the traffic on account of Uganda's external trade generates transport activity in Kenya rather than Uganda. The comparatively low figure for Uganda, therefore, is a reflection of the geographical size of the country and its landlocked position at a considerable distance from the coast. It is also probable that published data relating to the contribution of transport to gross domestic product in Uganda understates the true position, and the national accounting statistics need to be adjusted in this respect. In the past decade, the transport sector has grown at a rate slightly faster than the growth of gross domestic product, and it is anticipated that this trend will continue. For the Plan III period, the average annual rate of growth of the transport and communications sector is estimated to be about 6·4 per cent.

14.6 The development of transport facilities is normally a very costly undertaking. For this reason alone, very special care must be taken to estimate carefully the present and anticipated demand for new or improved facilities, and to construct such facilities only when there is a clear economic justification for the investment. Excess capacity in transport facilities is a misuse of scarce resources, and is as uneconomic as inadequate transport capacity. Although the transport system is reasonably well developed, much investment is still required in order to enable it to cope effectively with the demands placed on it by the expansion of economic activity. During the Plan III period, this investment will be directed towards the elimination of important bottlenecks in the network, the completion of projects started in the later years of the Second Five-Year Development Plan, and the accommodation of the anticipated increase in traffic. Greater care will be taken to ensure that investment decisions in other sectors which have an important bearing on the use of transport facilities are properly co-ordinated with the planning of the transport system.

14.7 There are a number of transport policy issues which do not involve capital investment, but which have an important impact in a wider economic sense. These include, for example, transport licensing, road traffic legislation, tariff and aircraft landing rights. In all cases, decisions relating to these various issues will be based on well-defined economic criteria.

I. Road Transport

14.8 The road system in Uganda is commonly regarded as one of the best in the whole of Africa, south of the Sahara. The favourable factor which facilitated the creation of this system, in the first place, was the presence of a laterite subsoil cover, available over most of the country, which furnished an excellent road building material—murram. The existence of an old social tradition of road building, as well as the application of *Luwalo* (a customary law which gave option to the taxpayer to choose between payment of local tax in cash or in community work) have also contributed to the development of a relatively high standard of road system.

14.9 Since 1962, the road network has grown from 22,728 km. to nearly 27,500 km. in 1970 (Table XIV—I). The greatest proportionate increase has been in the length of bitumen roads, from 1,188 km. in 1962 to 1,700 in 1970. Of the total road network, 8 per cent now has a bitumen surface.

Table XIV—1. The Network of Classified Roads

(kilometres)

	Roads maintained by the Ministry of Works, Communications and Housing		Roads maintained by Local Authorities[*]	TOTAL
	Bitumen	Gravel		
1962	1,188	4,192	17,348	22,728
1966	1,278	4,679	18,134	24,091
1970	1,697	4,718	20,180	26,595[†]

[*] Roads for which Local Authorities receive a road maintenance grant.

[†] Excluding 529 km. of bitumen road and 412 km. of gravel road under Urban Authorities, and roads in National Parks.

14.10 The main road network comprises three principal groups of roads. The first group consists of the main inter-territorial roads radiating from Kampala. The south-west road runs to Masaka, whence one fork extends to the Tanzania border, and the other goes through Mbarara and Kabale, to the Rwanda and Zaire borders. The main west road leads through Mubende to Fort Portal, and then southward through Kasese to the Zaire border. The north road passes through Nakasongola, curving round Lake Kyoga to Gulu and the Sudan border, with a branch from Karuma Falls to Arua and the Zaire border. The east road runs through Jinja and Tororo to the Kenya border. The second group of roads consists of major inter-district roads which are all linked with the inter-territorial roads. Such roads include, for example, the Mbarara-Fort Portal road through Kasese; the Fort Portal-Masindi road through Hoima; the Tororo-Mbale-Soroti road, and thence either to Moroto, or through Lira to Gulu. The third group of roads, forming the secondary and minor road network, comprises the agricultural feeder roads, access roads, and the roads under the care of district administrations.

A. *Road Development in the Second Five-Year Development Plan*

14.11 The Second Five-Year Plan contained three broad targets relating to the development of the road network. First, major improvements were to be carried out to a number of inter-territorial and inter-district roads. Second, feeder roads were to be constructed or improved to open up new agricultural areas in various parts of the country. Third, a large number of wooden bridges were to be replaced with more permanent structures.

14.12 A comparison, in physical and financial terms, of the planned road programme and actual implementation, is presented in Table XIV—2. In physical terms, 78 per cent of the road programme was implemented at a cost higher than estimated. By the end of the Plan, a number of new major road projects were either completed or under construction. New bitumenised roads now connect Mbarara with Kabale, and Kampala with Gulu; and, in the first year of Plan III, bitumen connections between Mbarara and Fort Portal, and between Lira and the Kampala-Gulu road at Kamdini will be completed. The construction of a first class gravel road between Iganga and Mbale is nearing completion. Extensive reconstruction has been carried out on the Jinja-Iganga road, and on the Fort Portal-Katunguru road. Two hundred and sixty kilometres of agricultural feeder and access roads have been constructed.

Table XIV—2. The Second Five-Year Development Plan: Road Programme: Targets and Implementation

	TARGETS[*]		IMPLEMENTATION	
	Length[†]	Cost	Length[‡]	Cost[‖]
	km.	*Shs. million*	*km.*	*Shs. million*
Bitumen I	703	219·8	527[§]	167·8[§]
Class I gravel	91	6·0	83	11·0
Class II gravel	46	1·7	—	—
Class III gravel (including feeder and access roads)	460	26·2	224	14·9
Reconstruction	76	12·6	82	15·6
TOTAL	1,376	266·3	916	209·3

[*] As per "Second Five-Year Development Plan 1966/67–1970/71 Supplement of Projects".

[†] The length of road which was planned to be constructed during the Second Plan is derived in proportion to the Second Plan (Supplement of Projects) phasing of the financial cost of the road programme.

[‡] The extent to which road projects commenced during Plan II were completed within the Plan period is measured by the proportion of the total scheme value incurred in the Plan period.

[‖] Sum of actual expenditure 1966/67–1969/70 plus estimated expenditure in 1970/71.

[§] Includes Pope Paul VI Road, which has not been covered in the Supplement of Projects.

14.13 The Second Five-Year Development Plan envisaged the replacement of 60 wooden bridges with permanent structures in various parts of the country. The aim was to remove transport bottlenecks and reduce costs. Although it was anticipated that the major part of the programme would be carried forward into Plan III, the engineering design work for the entire programme and the reconstruction of those bridges whose condition was deemed dangerous was planned to be implemented within the period of the Plan. This work was not done. Apart from bridges constructed as part of the road programme, the only major bridge that has been built, in conjunction with the East African Railways Corporation, is the road-rail bridge over the River Nile at Pakwach. This bridge provides a permanent link between West Nile and the rest of Uganda.

14.14 There have been a number of problems in the implementation of the road programme. Serious delays in the execution of the programme have been experienced at various times, and costs have escalated far beyond planned estimates. The Plan proposed that work would be carried out on a total of 31 projects. This number represented two projects started during the First Five-Year Plan, and 29 new projects of which 22 were to be completed during the Second Five-Year Development Plan. As it turned out, the two projects carried over from the First Five-Year Plan were completed; but only 21 new projects were embarked upon, nine of them (including one project not originally in the Plan) were completed within the Plan period. A large part of the projects not executed was gravel roads.

14.15 Over the entire road programme, unit costs per kilometre have risen considerably. A strict comparison between planned and actual unit costs per kilometre is rendered difficult for a number of reasons. However, for the roads under construction, the scheme values have risen, on average, by about 25 per cent since 1968. This increase is clearly in excess of normal inflationary factors.

14.16 The reasons for delays in the implementation of projects and for the escalation in costs are varied. Occasionally, very long periods (over two years in some cases) elapsed before negotiations for external assistance were finalised and this prevented construction work from starting on schedule. Even after securing funds, work on projects did not proceed according to the programme either because the original road designs were inadequate, or because, as happened in several instances, the capacity of the contractor was found to be insufficient after the award of the contract. For a large part of the Second Five-Year Development Plan, the then Ministry of Works, Communications and Housing was inadequately staffed, which also adversely affected the speed at which the road programme was implemented. Finally, increases in costs were partly a reflection of the inaccuracy of the original cost estimates.

14.17 A particular feature of the implementation of the road programme during the Second Five-Year Development Plan was the tremendous increase in annual road development expenditure over the period. Starting at a level of about Shs. 6 million in 1966/67, this expenditure rose steeply every year up to the estimated 1970/71 figure of over Shs. 105 million. Although part of this growth only reflects a rise in costs, the general trend represents the fast-increasing volume of physical work that has taken place. While the construction industry (and the Ministry of Works and Housing) has generally managed to cope with this growth, there is some evidence that by the end of the Plan, capacity was getting somewhat strained. The road construction programme in the early part of Plan III has therefore been fixed at a level that would permit construction capacity in this sector some room for consolidation.

B. *The Road Programme for the Third Five-Year Development Plan*

14.18 The road construction programme for Plan III, apart from on-going projects, cannot be regarded as final since the proposals have been made prior to a consideration of the findings of a comprehensive Highway Investment and Maintenance Study which is currently underway. The study, which is expected to be ready soon, will assess road development priorities and recommend a number of high priority road projects for detailed feasibility study and specific engineering design work. In addition, the study will evaluate maintenance requirements, as well as the present responsibilities for the administration of the network, and the classification of roads. The various proposals contained in this Section and Section C (ii) above may, therefore, be amended at a later date, depending on Government's reaction to the Highway Study. Any necessary adjustments to the Plan proposals presented here will be effected in the annual planning exercise. However, any subsequent changes in projects will be kept within the development expenditure target allocated to the sector in this Plan.

14.19 Although, in overall terms, Uganda is well-provided with roads, there is still some imbalance in the present distribution of the road network. Marked regional differences in the density and quality of roads do exist, and these variations do not always correspond to differences in real and potential transportation requirements. In certain areas, natural factors have held back the construction of roads. This is the case, for example, in the Ruwenzori and Elgon areas, and in the swampy parts of Madi District. In other areas, the absence of a social tradition of road building or the lack of murram has retarded the development of roads. A further factor which has possibly contributed to the inadequacy of roads in certain parts may have been the lack of proper integration of road facilities in the planning of particular agricultural and industrial projects. There are areas of the country where development has proceeded so fast that present traffic loads greatly exceed the effective capacity of the roads. Considering that road maintenance has been generally inadequate, in these areas, road conditions have deteriorated considerably. All in all, therefore, considerable expenditure is still required to eliminate particular deficiencies in the road system and to carry out major repair and maintenance work of an urgent nature.

(i) *Roads under Construction*

14.20 The most immediate task is to complete the 15 road projects on which work was already under way at the outset of the Plan III. Almost all of the roads will be completed during 1971/72, at a Plan III cost of Shs. 87·4 million The projects in question are summarised in Table XIV—3, and in Map D.

Table XIV—3. Plan III Road Programme: Road Projects under Construction (as at July, 1971)

	Total length	Revised scheme value
	Km.	*Shs. million*
CLASS I BITUMEN—		
Lira–Kamdini	64	24·8
Masaka–Kyotera	46	20·0
Bukoloto–Jinja Road	45	14·2
Mbarara–Katunguru	110	38·2
Sezibwa swamp crossing	1	2·7
TOTAL	266	99·9
(of which Plan III)	128	50·0
CLASS I GRAVEL—		
Iganga–Mbale	96	18·2
Kayunga–Bale	45	5·5
Kayunga–Nabuganyi	19	1·7
TOTAL	160	25·4
(of which Plan III)	104	14·9
CLASS III GRAVEL—		
Fisheries access roads (Ankole)	11	·6
Mbale–Nkokonjeru	22	7·5
Toro tea roads	72	3·2
Kigezi tea roads	101	10·4
Ankole tea roads	122	7·4
Busoga access roads	21	1·3
TOTAL	349	30·4
(of which Plan III)	240	20·7
RECONSTRUCTION—		
Jinja–Iganga	38	11·2
TOTAL	38	11·2
(of which Plan III)	6	1·8
GRAND TOTAL	813	166·9
(of which Plan III)	478	87·4

(ii) *New Road Projects Planned*

14.21 Specific new road projects for Plan III have been selected on the basis of a combination of the following considerations:—

(i) the necessity of accommodating traffic growth;

(ii) the need to reduce operating costs in road transport, to shorten haulage lengths, and to increase road safety;

(iii) the inducement and promotion of agricultural, industrial or tourist activity in particular areas;

(iv) the need to provide an appropriate road network in each district;

(v) the need to establish effective road links with neighbouring countries, and to facilitate transit traffic across Uganda.

The programme of new road construction projects is summarised in Table XIV—4, and in Map D.

Table XIV—4. Plan III Road Programme: New Road Projects

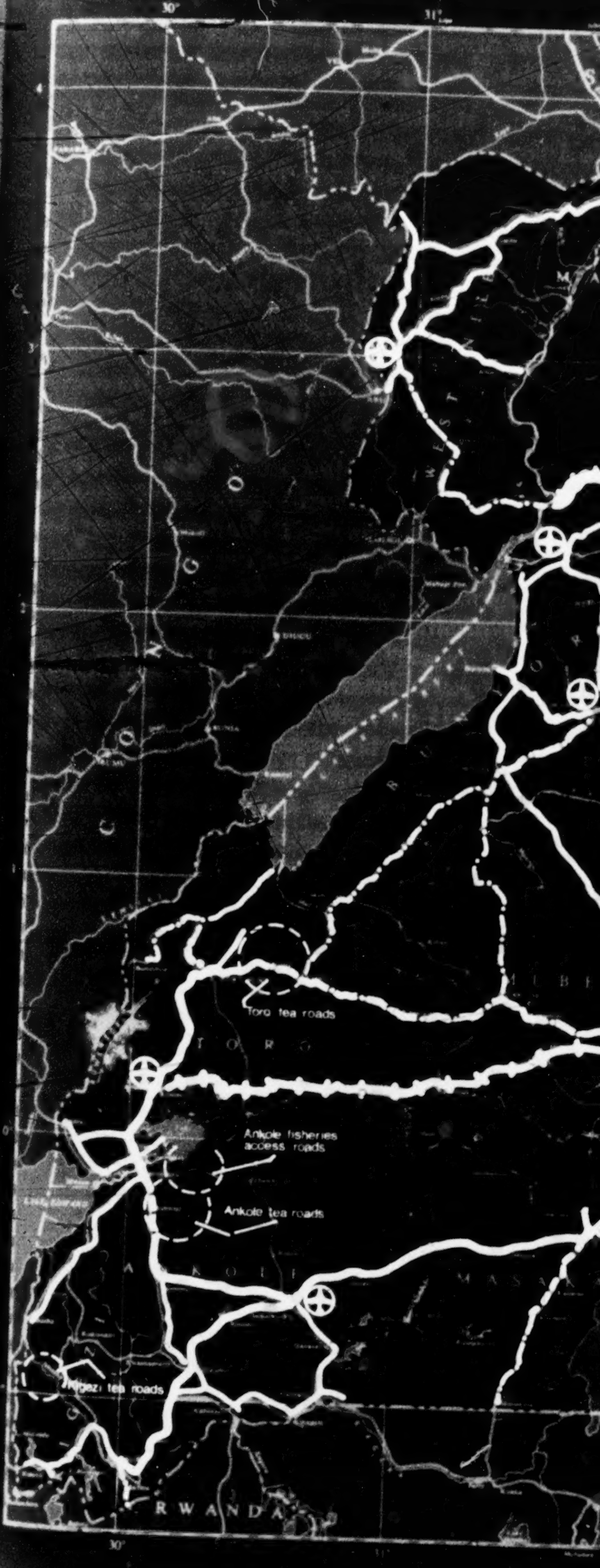
	Length	Estimated Total Cost
	Km.	Shs. million
(*a*) Bitumen Main Roads—		
Fort Portal-Kichwamba	13	4·2
Kyenjojo-Kagorogoro	16	2·8
Kyenjojo-Mityana	200	64·0
Hoima-Masindi-Kafu Bridge (Gulu Rd.)	95	30·4
Lira-Soroti	97	31·0
Kampala-Entebbe	34	20·0
Kampala-Mukono	22	7·0
Busia-Buwayo Road	21	6·7
Sub-Total ..	498	166·1
(*b*) Gravel Main Roads—		
Kyenjojo-Hoima (improvements) ..	148	14·8
Pakwach-Arua-Vurra	103	20·6
Kyotera-Mutukula	43	8·6
Kabale-Katuna	21	10·5
Busunju-Katera (Hoima-Kampala Road)	32	6·4
Terinyi-swamp crossing	2	7·6
Masindi-Kyabatwa	48	9·6
Moyo-Adjumani-Atiak-Gulu ..	168	22·4
Karuma Bridge-Olwiyo	55	5·5
Muyembe-Kapchorwa-Suam ..	111	27·8
Kichwamba-Bundibugyo	67	16·8
Moroto-Kotido-Kidepo	214	21·4
Hoima-Kakumiro-Mubende ..	110	8·3
Kitgum-Koputh	162	12·2
Sub-Total ..	1,284	192·5
Total—Main Roads ..	1,782	358·6
(*c*) Feeder and Access Roads	600	45·0
GRAND TOTAL ..	2,382	403·6

14.22 The *Fort Portal-Kyenjojo-Mityana Road* is an important inter-district trunk route. The road is also important as a tourist route from Kampala to Queen Elizabeth National Park, and the Semliki Game Reserve, and for promoting economic activity in areas west of Mityana. Traffic density, which is about 200 vehicles per day, is increasing in spite of the present very low standard of the road. It is anticipated that when the road is completed traffic density will increase considerably. Part of the growth will result from the diversion of traffic from the much longer Kampala-Fort Portal route via Mbarara. The *Kyenjojo-Hoima Road* and the *Hoima-Masindi-Kafu Bridge Road* constitute an inter-district route, part of which is especially significant as a tourist link between the Queen Elizabeth National Park and the Murchison Falls National Park. The *Masindi-Kyabatwa Road* needs to be up-graded to provide a better access to the Murchison Falls National Park. The reconstruction of the *Lira-Soroti Road* will provide a bitumenisation link between the Eastern and Northern regions of the country, and will represent a continuation of the *Kamdini-Lira*

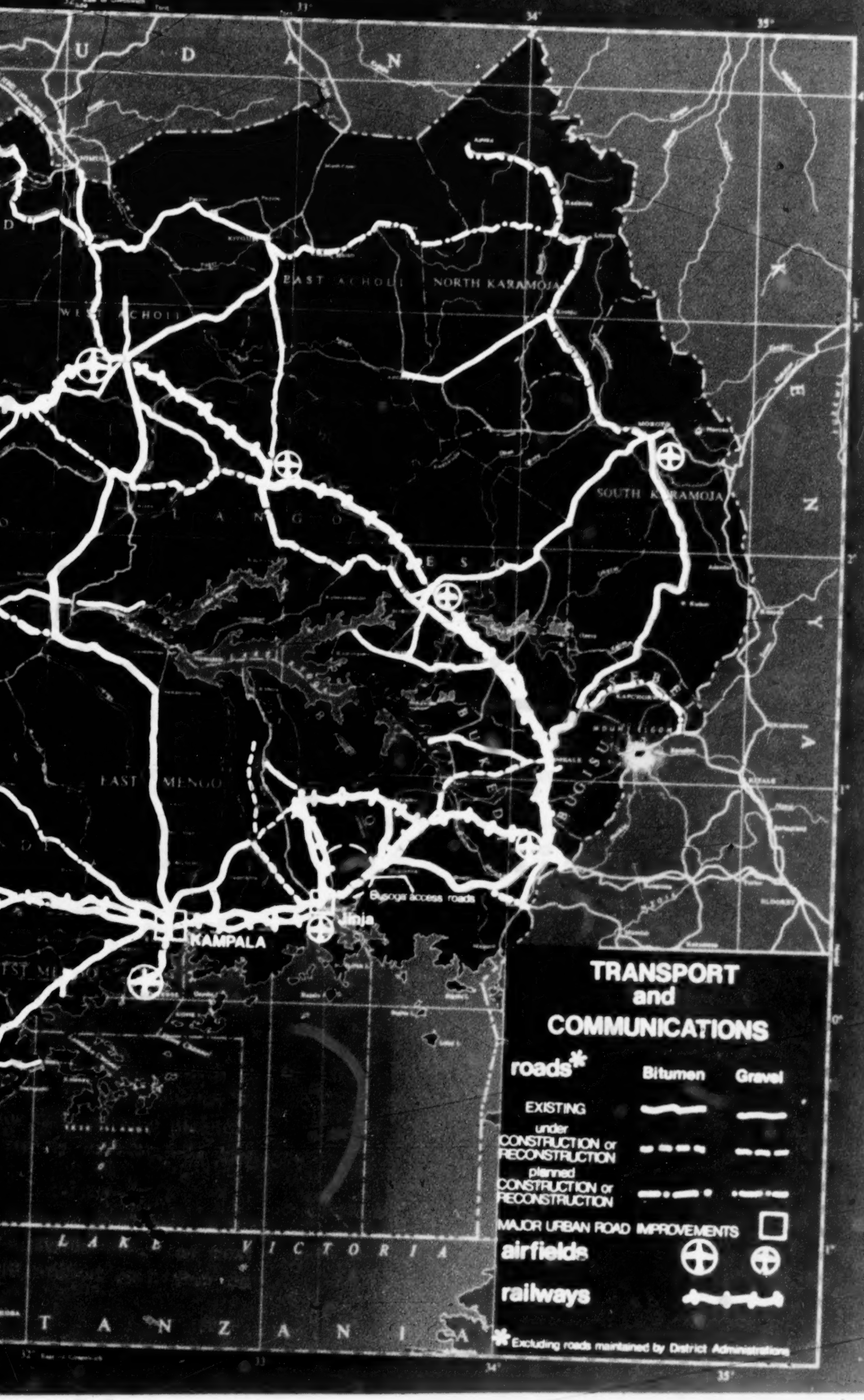
Road started in the Second Five-Year Development Plan. The *Kampala-Entebbe Road* now carries over 3,500 vehicles per day, and lorries, tankers and trucks account for 12 per cent of the traffic. The road is poorly aligned with inadequate overtaking, stopping and sight distances. A decision on what type of road to construct—whether an improved single carriageway or a dual carriageway—will be made early in the Plan period. Regardless of the final decision, the provision of Shs. 20 million will cover work on the road in the Plan III period. The *Kampala-Mukono Road* is also poorly aligned and is extremely dangerous at certain times of the day. The road will be considerably improved, with dual carriageway at certain sections.

14.23 The reconstruction of the *Pakwach-Arua-Vurra Road* will enhance its role as a link in an inter-territorial road network. The lack of suitable road is a real bottleneck to the agricultural development of West Nile District and to trade with north-east Congo. Up-grading the *Busia-Buwayo Road* (on the Iganga-Tororo road) will provide an alternative inter-territorial route between Uganda and western Kenya, and will link the Kisumu areas directly with Jinja. The *Kyotera-Mutukula Road* is part of the inter-territorial link to Tanzania and is an important outlet for the sugar, coffee and timber grown in the Masaka District. Current traffic density is about 150 vehicles per day. The *Katuna-Kabale Road* needs to be up-graded to improve road communications through Kigezi to Rwanda, and thus promote closer trading relationships with Rwanda and Burundi. Much Rwanda export and import trade passes through Uganda. The up-grading of the road will match road improvement work being carried out on the Rwanda side of the border. The *Busunju-Katera* section of the *Kampala-Hoima Road* bears very heavy local traffic, and needs immediate up-grading mainly to stimulate and support production in the area it traverses. The *Moyo-Adjumani-Atiak-Gulu Road* is an important inter-district road, and its improvement will make access to Madi District and the northern part of West Nile District much easier.

14.24 Planned work on the *Fort Portal-Bundibugyo Road* will fall into three classes. The Fort Portal-Kichwamba section is to be up-graded to Class I bitumen standard in order to adequately serve the heavily settled agricultural areas traversed by the road in the vicinity of Fort Portal. Between Kichwamba and Sempaya various improvements will be carried out on the road, and an entirely new section, via the Semliki flats, is to be constructed from Sempaya to Bundibugyo. The present road is often closed by landslides and wash-outs in the mountainous sections, and it is only open to light traffic. The new road will serve the Bwamba coffee and cocoa growing areas and will provide a good connection to the important tourist attractions of the Semliki Game Reserve, Lake Albert and the hot springs near Bundibugyo. A shorter link between West Nile and southern Uganda will be provided by up-grading the *Karuma Bridge-Olwiyo Road*. This road will also provide an alternative route for entry into the Murchison Falls National Park. Proposed work on the *Muyembe-Kapchorwa-Suam River Road* will improve the connection between the administrative headquarters of Sebei and Bugisu Districts, and will provide a further inter-territorial link with Kenya at the Suam River. The latter section of the road will serve as an important outlet for the densely populated and fertile areas of


30°
31°
WEST NILE
CONGO
TORO
Toro tea roads
Ankole fisheries access roads
Ankole tea roads
ANKOLE
MASAKA
MUBENDE
Kigezi tea roads
RWANDA
30°
31°

TRANSPORT and COMMUNICATIONS MAP D


32°
33°
34°
35°
S U D A N
EAST ACHOLI
NORTH KARAMOJA
WEST ACHOLI
L A N G O
T E S O
SOUTH KARAMOJA
MOROTO
K E N Y A
S E B E I
MOUNT ELGON
BUGISU
BUKEDI
EAST MENGO
Busoga access roads
Jinja
KAMPALA
L A K E   V I C T O R I A
T A N Z A N I A
4°
3°
2°
1°
0°
1°
TRANSPORT and COMMUNICATIONS
roads*
Bitumen
Gravel
EXISTING
under CONSTRUCTION or RECONSTRUCTION
planned CONSTRUCTION or RECONSTRUCTION
MAJOR URBAN ROAD IMPROVEMENTS
airfields
railways
* Excluding roads maintained by District Administrations

the Mount Elgon region. The *Moroto-Kidepo Road* will be improved to facilitate communication between north and south Karamoja and to provide an all-weather road through Kotido to Kidepo National Park.

14.25 A vastly improved connection between Bunyoro and Mubende Districts will be provided by up-grading the *Hoima-Kakumiro-Mubende Road*, which passes through heavily populated areas, and which at present bears much traffic along a very poorly aligned road. Communications in the northern parts of the country will be greatly improved by linking *Kitgum with Koputh* with an all-weather road. This road has considerable potential as an alternative access to Kidepo National Park, and is thus a key factor in integrating this Park effectively in the network of tourist movement in the country. A distinctive improvement will be made to the Iganga–Mbale road, by constructing a new permanent crossing over the Mpologoma swamp, eliminating the present crossing by ferry at Terinyi.

14.26 Feeder roads and access roads form the secondary and minor road network. These roads stimulate and complement the development of agriculture and rural industries. They open up populated areas by providing them with a channel for the evacuation of produce and the inflow of manufactured consumer goods. Both types of roads also encourage the regional dispersal of economic activity by attracting people to settle in new areas. About 340 km. of feeder roads (mainly tea roads in the Western Region) were to be constructed in the Second Five-Year Development Plan. This programme is underway, and will be completed early in the Plan III period. During Plan III, great emphasis will be given to the access and feeder road requirements of the economy, and in the selection of roads, careful attention will be given to the proposals for agricultural and livestock development made in Chapter Ten. Early in the Plan period, detailed engineering studies and designs will be made of the roads to be constructed. The Plan target for new feeder and access roads is 600 kilometres, at a cost of Shs. 45 million. Planned improvements to roads inside the various National Parks are described in Chapter Twelve.

14.27 The proposals for the Trans-Central African Highway, from Mombasa through Kampala to Zaire, Central African Republic, Cameroon, and Lagos in Nigeria, are now under active study. Uganda's section of the road will consist of some 660 kilometres. The road will enter Uganda either at Malaba, or at Busia, and will probably pass through Kampala to Kasindi on the Zaire border. The greater part of the route is already bitumenised.

(iii) *City and Town Road Network*

14.28 In urban areas, such as Kampala and Jinja, the rapid growth in population, and in vehicle ownership, presents serious traffic problems to the authorities concerned. Traffic suffers from congestion, and parking problems are becoming acute. The improvement of existing streets in Kampala and Jinja cannot be a sufficient solution to the problem.

14.29 The long-term intention, especially in the case of Kampala, is to divert transit traffic from the urban centres to the outskirts. Over the next few years, Kampala City Council may spend Shs. 10 million each year on road and street work. As a contribution to this, Government will grant Shs. 20 million over the Plan period to the City Council for spending on transit roads forming part of the trunk road system, and for major improvements on important intra-city roads. Shs. 15 million will be granted to other urban authorities as a contribution to their total raod requirements of around Shs. 30 million over the Plan III period. Government's contributions will be channelled through LALF.

(iv) *Reconstruction and Maintenance*

14.30 In the past decade or so, substantially less finance was expended than was technically required to maintain roads in the grades and conditions for which they were constructed. Because of this, some roads deteriorated to such an extent that major capital expenditure was required to reconstruct and reseal these roads much earlier than would have been the case with proper and regular maintenance. Despite increases in the road network, and growth in traffic volume by 50 per cent since 1962, maintenance expenditure has grown very slowly. Contributions by Government to the maintenance of roads under the responsibility of local authorities have been low in relation to the needs, and this is one of the major reasons why some local authorities' roads are in dilapidated condition. Expenditure on the resealing of bitumen roads, and on regravelling has also been inadequate. Many sections of important roads need rehabilitation involving major repairs and resurfacing, and the correction of road bases which have not been adequately protected. The true requirements for reconstruction of this nature far exceed available resources. As a first priority, therefore, 560 kilometres of bitumen roads and 1,800 kilometres of gravel roads have been selected for rehabilitation. The cost of this programme is estimated at Shs. 22·5 million for the bitumen roads and Shs. 28·8 million for the gravel roads.

14.31 In Uganda, it is estimated that the minimum recurrent cost of keeping roads in a proper state of maintenance is Shs. 6,000 to 7,000 per kilometre per annum for bitumen roads, and Shs. 4,500 to 5,500 per kilometre per annum for gravel roads. These estimates cover routine housekeeping maintenance as well as resurfacing at regular intervals. Government expenditure on recurrent maintenance amounted to Shs. 21·6 million in 1970/71. About the same amount is spent by local authorities on the maintenance of their roads. Apart from the effect on road standards caused both by the growth in traffic density, and by heavier loads being carried, there are strong reasons for increasing recurrent maintenance expenditure in the future. In the first instance, the rapid increase in road construction in recent years and the envisaged programme for Plan III will necessitate additional maintenance funds. Secondly, the Government will continue to take over roads which have hitherto been the responsibility of local authorities. Thirdly, the inadequate provision for maintenance work in the past has led to a backlog of a large number of roads in urgent need of maintenance. Without this maintenance, major resurfacing and reconstruction may well be necessary in a comparatively short period. During Plan III, recurrent expenditure on maintenance will grow by 10 per cent per annum over the estimated level of 1970/71. This provision is kept within the overall recurrent expenditure ceiling growth rate for the Ministry of Works, Communications and Housing, although the full requirements of an adequate road maintenance programme are known to be in excess of this figure. There will, however, be a considerable improvement over past maintenance work.

(v) *Bridge Programme*

14.32 The absence of suitable bridges across strategic rivers and swamps hinders the efficient development of the road network, and a number of bridges are in urgent need of repair and reconstruction. Some bridges which require reconstruction will be built as an integral part of the road programme outlined in the preceding paragraphs. In addition, a comprehensive programme will be drawn up to provide for the present and future bridge requirements for those bridges not forming part of the road programme. New bridges will be sited to coincide with any eventual realignment of the road. In the selection of bridges, priority will be given to eliminating those strategic bottlenecks which hinder the fast and safe movement of goods and passengers. As the programme is not worked out—in particular the number and standard of bridges to be constructed have not yet been identified—a plan provision of Shs. 15 million is made until such time as the project is formulated. This provision will also cover work on bridges which need emergency repair, and the completion of current works on the Ora bridge at Okollo on the Arua–Pakwach Road.

(vi) *Summary of Road and Bridge Development Proposals*

14.33 The entire Plan III road development programme involves the upgrading or improvement of about 5,280 kilometres of road in all, and will require development expenditure totalling Shs. 620 million. Table XIV—5 gives a summary of the programme.

14.34 The programme can only materialise if the problems affecting the implementation of the Second Five-Year Plan road programme are overcome or considerably mitigated. The capacity and efficiency of the Ministry of Works and Housing has been, and will be, increased. In particular, improvements will be made in the standard of engineering designs, in the estimation of cost and construction periods, and in the supervision of the actual construction work. The Road School, organised by the Ministry of Works and Housing for the in-service training of staff engaged on road construction, maintenance and repair, will be expanded, and additional facilities provided, the details of which are now being finalised. Development expenditure on roads will continue at about the same level as the final year of the Second Plan. There will, therefore, be no dramatic increase in expenditure, but rather a steady and continuous flow of road projects throughout the Plan period. The whole road programme is largely dependent on sources of external finance, and specific action to secure this finance is already under way.

C. *General Road Transport Issues*

(i) *Vehicle Fleet, Road Use, and Road Safety*

14.35 The number of licensed motor vehicles grew from 39,613 in 1962 to 48,701 in 1969. Motorcars (28,236) and cycles (5,701) represented 70 per cent of the total vehicle fleet in 1969, a much higher proportion than in Kenya or Tanzania. The number of registered motor cycles has been declining, however, probably as a result of the increased availability of better public passenger transport services. Licensed commercial vehicles increased rapidly until 1968, but hardly at all since then. The recent slow growth may be partly due to the comparatively short average haulage distances for most internal traffic. As yet, long distance specialised haulage is relatively underdeveloped in Uganda. Transit and inter-territorial traffic is also small, and much of what there is, is carried by non-Ugandan hauliers.

Table XIV—5 Summary of Plan III Road and Bridge Programme

	Length	Total Cost (estimated)
	Km.	*Shs. million*
(*a*) BITUMEN MAIN ROADS—		
Under construction (Table XIV—3) ..	128	50·0
New roads (Table XIV—4) ..	498	166·1
SUB-TOTAL ..	626	216·1
(*b*) GRAVEL MAIN ROADS:		
Under construction (Table XIV—3) ..	344	35·6
New roads (Table XIV—4) ..	1,284	192·5
SUB-TOTAL ..	1,628	228·1
TOTAL—MAIN ROADS (*a* + *b*)	2,254	444·2
(*c*) NEW FEEDER AND ACCESS ROADS (Table XIV—4)	600	45·0
(*d*) CITY AND TOWN ROADS (paragraph 14.29) (Government contribution only) ..	—	35·0
(*e*) REHABILITATION OF MAIN ROADS:		
(i) Bitumen: (Table XIV—3 and paragraph 14.30)	566	24·3
(ii) Gravel: (paragraph 14.30) ..	1,860	28·8
TOTAL—REHABILITATION ..	2,426	53·1
(*f*) BRIDGE PROGRAMME (paragraph 14.32) ..	—	15·0
(*g*) SURVEY, DESIGNS AND SUPERVISION† ..	—	30·0
GRAND TOTAL—ROAD PROGRAMME	5,280*	622·3

* Excluding city and town roads.

† Estimated on the basis of 7·5% of those roads not already surveyed and designed, and includes (1) provision for surveying and designing roads to be constructed in Plan IV, and (2) survey, design, and supervision of the bridge programme.

14.36 As may be expected, vehicles are concentrated in the Kampala and Jinja areas. There are about 17,000 vehicles in a 15-mile zone of Kampala, and about 5,000 vehicles in the Jinja area. Over half of the cars and motor-cycles are in these two areas, giving a person/car ratio of around 35. It is unlikely that this ratio will fall in the future, if the population of the two areas continues to grow in the future at rates similar to those experienced in the past. By 1976, then, the number of cars and motor cycles in the Kampala and Jinja areas could be 21,000, and in the country as a whole, about 40,000, of which about 5,000 would be motor cycles.

14.37 The expanding economy and the widening road network will most likely induce a revival in the growth of the commercial vehicle fleet, which in 1969 was 13,938. An additional factor influencing the growth of the commercial vehicle fleet has been the present restriction on Ugandan vehicles crossing the border. This is most unfavourable for Ugandan hauliers, and the Government will strive to ensure that its liberal policy on non-Ugandan goods vehicles crossing the border is reciprocated by its neighbours. Depending partly on the success achieved in this regard, the commercial fleet may grow to about 17,000 vehicles by 1976. In the near future, the average carrying capacity of commercial vehicles will slightly increase, due to the probable increases in haulage length. The ownership of the commercial vehicle fleet is heavily dominated by companies with only a few vehicles. Although the pattern of ownership may present certain drawbacks to the development of a viable commercial vehicle fleet, the general picture is that of a comparatively efficient commercial transport system. Nevertheless, during the Plan III period, the Government will take appropriate steps to encourage the development of the commercial vehicle fleet on an even more viable basis, and will also ensure that there is adequate commercial transport capacity covering all parts of the country. The Government is considering the possible establishment of a National Road Transport Corporation to participate in the development of the commercial road transport business. In addition, steps will be taken to maintain all commercial vehicles in safe mechanical condition, thereby increasing road safety for all road users.

14.38 The public passenger transport vehicle fleet has grown rapidly over the immediate past, and now stands at over 1,000 vehicles. This general trend has been marked by a strong movement towards the utilisation of larger buses—the share of 60-seater carriers increased from 5 per cent of the total in 1962 to 20 per cent in 1969—largely because the smaller class of bus has been seriously affected by taxi-operators. However, mini-buses are becoming more important, especially in the tourist trade.

14.39 Buses perform an invaluable function in the transport system. In spite of their shortcomings, buses carry over 100 million passengers every year. The increasing urban traffic congestion (especially in Kampala) makes it even more important that the bus services develop fast and efficiently. Early in the Plan period, the bus fleet in Kampala will be augmented. Bus transport has been seriously affected by the operation of taxis, a large proportion of which are unlicensed. The success of the taxis clearly indicates the public demand for faster, more flexible and more comfortable transport than that provided by the existing buses, a factor which also explains the recent but growing popularity of mini-buses. As a result of the Road Traffic Act of 1970, the regulation and control of taxis has been improved, and stern action is to be taken against unlicensed operators. In the short run, it is anticipated that as a result of these various measures, and as a result of growing public demand for passenger transport facilities, the passenger transport fleet may grow to about 1,300 in 1976, with a mini-bus share of around 20 per cent. The growth in population, wage employment, and incomes, will all contribute to a growth in passenger traffic to around 130 million passengers by 1976. On the basis of continuing studies of passenger demand, steps will be taken to establish increasingly effici bus services on the trunk and feeder road network, and to allocate types carrier best suited to the needs of the travelling public.

14.40 The Road Traffic Act of 1970, apart from regulating the operat of taxis, did also introduce a number of measures to modernise the law relat to safety on the roads, and the administration and enforcement of tra regulations generally. A National Road Safety Council has been set up propagate road safety education, and to examine appropriate measures to prom road safety. In future, all persons wishing to receive instruction in driv motor vehicles will be instructed in licensed driving schools by qualif instructors, and a Driving Examination will be established. The driving t itself is to be made more stringent. Vehicle inspection will be stepped and consideration is being given to the proper establishment of regional a district vehicle testing stations. The new system of Third Party mo vehicle insurance will be streamlined. Police checks and controls will be mount in the required numbers to enforce the observance of the legislation relating road safety and general traffic control. The powers of the Transport Licensi Board, which regulates the use of public service vehicles, private buses a goods vehicles, have been increased to protect the travelling public, and promote the Ugandanisation of the passenger and goods transport industry.

(ii) *The Administration of the Road Network*

14.41 Government shares with the local authorities the responsibility f the road network. Inter-territorial, inter-district, and certain important acce and feeder roads are the responsibility of the Ministry of Works and Housin All other public roads are the responsibility of the local authorities Whe these latter roads are of more than local significance, the local authority receiv a grant to cover the cost of their construction and maintenance. Such grant however, amount to only a small part of the total cost of maintaining loc authority roads. This system of responsibility is made flexible by arrangemen by which roads can be transferred from Government to local authorities an vice-versa. However, the present system is not conducive to the most efficien allocation of the available resources of road engineers, vehicles and plant. A some district headquarters, the Ministry of Works and Housing maintains a regional or district works office, alongside a works department run by th urban authority, and another belonging to the district administration. Durin the Plan period, steps are to be taken to effect a thorough rationalisation o the responsibilities of Government and the local authorities in the field of road administration and maintenance. Special effort will be made to allocate facilitie for rural road maintenance in a more efficient manner.

14.42 The classification of the road network is in the process of bein revised to reflect traffic flows and other economic indicators more accurately. Among other things, this will eliminate the present ambiguity which makes the allocation of grants to local authorities difficult. At the same time, new measures are to be instituted to ensure that grants to local authorities are spent on the roads for which they are intended. As a basis for the continual improvement in the planning of the road system, the collection of traffic statistics is to be expanded and improved considerably. The formulation of precise proposals in this connection is one of the main tasks of the newly-established Planning Unit in the Ministry of Works and Housing.

II. Air Transport

14.43 Uganda is a joint owner, with Kenya and Tanzania, of the East African Airways Corporation (E.A.A.C.) which has a monopoly of scheduled internal flights within the Partner States, and also flies between East Africa and a number of foreign countries. Each Partner State, however, is responsible for the provision and maintenance of most facilities and equipment at her international and internal airports. The Directorate of Civil Aviation provides air traffic operations, communications, and radio navigation services for aviation in East Africa. Uganda's international and internal airfields are presented in Map D.

A. *Entebbe Airport*

14.44 The use of Entebbe, the international airport of Uganda, grew rapidly over the Second Five-Year Plan period. Passenger traffic, including transit passengers, more than doubled from 133,000 in 1965 to nearly 345,000 in 1970. This represents a growth considerably greater than that estimated in the Second Five-Year Development Plan. However, the composition is marked by a high proportion of transit passengers who need much less space than embarking and disembarking passengers. Freight traffic trebled and aircraft movement doubled over the same period. To keep pace with this development, major construction works were undertaken at the Airport. Alterations were carried out to the main terminal building; a runway turning loop and fire station were constructed; and a number of other miscellaneous developments were carried out. A new 3,700 metre runway will be completed early in the Plan III period. The runway will be capable of catering for all types of commercial aircraft at present in use or likely to be introduced in the near future.

14.45 Considerable expenditure will be required to complete the works started in the latter years of the last Plan. The cost of completing the new runway and the parking apron adjacent to the runway is estimated at Shs. 35 million and Shs. 13 million, respectively. The new Air Traffic Control Tower and Console will cost Shs. 2·8 million during Plan III. Other additional facilities to be provided at the Airport, together with their respective Plan III provisions, are: a night stop apron and hangars, with associated taxiway (Shs. 2·0 million); a stand-by generator, including ancillary works (Shs. 350,000); ground equipment (Shs. 2·2 million); a new launch (Shs. 800,000); fire service equipment (Shs. 1·6 million); and an access road to the parking apron (Shs. 500,000).

14.46 In the past the cost of installing new facilities at the Airport, and of maintaining and operating them has been consistently higher than the revenue from the various charges collected from users of the Airport. In future this anomaly will be corrected and it is intended that much of the investment on the Airport will be recouped from user charges.

14.47 A major scheme to be undertaken at Entebbe Airport is the construction of a new Terminal Building, the designs for which have been prepared but are under re-consideration. The Government will ensure that any new terminal facilities set up are of a design and size commensurate with the country's resources, and that they provide for passenger accommodation and cargo handling strictly in relation to expected growth in air traffic. Some of the factors being considered before a final decision on design is taken, are the proportion of transit passengers in the total traffic flow, the need to accommodate peak traffic movements, and the anticipated growth in air freight traffic. The Plan III provision for the Terminal Building is Shs. 50 million.

14.48 Considering the country's potential for the production of commodities which would qualify for international air freighting, and the demand in overseas markets for such commodities, Uganda Air, an air cargo service fully owned by the Uganda Development Corporation Ltd., was established towards the end of the Second Plan period. The provision of regular guaranteed cargo space by Uganda Air has encouraged the recent development of horticultural produce for export to the European markets, as well as providing valuable space for more general air cargo operations. In spite of this, it is clear that Uganda has not done enough to exploit the possibilities which present themselves in this area, as a well-organised cargo service can be of considerable benefit to the economy in this regard. With a view to promoting such a service, Entebbe Airport is to be gradually developed into a national port, fully equipped to handle a wide range of exports and imports. The Airport would thus become the only international port under Uganda's independent control. During Plan III, the first steps in this development will be taken through the provision by Government of increased storage, loading and unloading facilities of a suitable nature at the Airport. These facilities will be made available to private exporters and importers for an appropriate charge. Government will also continue with its efforts, through the East African Community, to bring about the desired changes in the various regulations and procedures affecting the development of a viable air cargo service.

14.49 The proposals for a new Terminal Building at Entebbe Airport have been described in paragraph 14.47. A separate provision is made (*see* Chapter Twenty-one) for the expansion of the customs building at the Airport. When the time comes to erect a new terminal building at Entebbe, the present building will be put to some other use, possibly the handling of local traffic. With the existing terminal building some distance away from the new runway, when the latter comes into operation, appropriate arrangements will be made for the movement of passengers within the airfield, and for the refuelling of aircraft.

B. *Other Airfields*

14.50 Apart from Entebbe, there are 11 airfields in Uganda. The facilities available in the airfields vary considerably. The busiest airfields are Jinja, Kasese, and Murchison Falls, the latter two largely because of tourist traffic. The number of passengers and aircraft movements at the other airfields is very low.

14.51 Early in the Plan period, arrangements will be made to open in the Northern Region, an international airfield for international scheduled flights and charter services. This airfield will therefore serve as the major access for airborne tourists to Murchison Falls National Park. A Plan provision of Shs. 0·5 million is made for the forward planning and for minor works at the Airfield. An airfield at present exists inside Murchison Falls National Park, near Paraa Lodge. There is a need to provide landing facilities for larger aircraft than this, mainly to facilitate rapid access to the Park. It is not considered feasible to extend the present airfield because of the adverse impact on the ecological life of the Park which the landing of larger aircraft at Paraa might have. The new airfield in the Northern Region, may not be convenient for local air-borne tourists visiting the Park. A study will therefore be made of the technical feasibility and commercial attractiveness of building a small airfield capable of handling F-27 aircraft in close proximity to an entrance to the Park, possibly near Parango.

14.52 The development of internal airfields will be related to the E.A.A.C. programme. During the course of the Plan period, scheduled F-27 services will be introduced on the Entebbe-Kasese route, primarily to accommodate the anticipated growth in tourist traffic to Queen Elizabeth National Park. The runway at Kasese will be lengthened by 163 metres and a stabilised base with a hot-rolled asphalt surface will be provided for the entire length of the runway at a total cost of Shs. 3·0 million. In order to enable Jinja Airfield to accommodate F-27 aircraft, it is planned (subject to technical investigations) to extend the runway at the Airfield by 400 metres at the southern end, and to provide it with an asphalt surface similar to that at Kasese, at a total cost of Shs. 3·0 million. Towards the end of the Plan period, F-27 services will be started between Entebbe and Soroti. The other major internal air transport development will be the introduction of a scheduled DH 6 flight linking Entebbe, Lira, Murchison Falls, and Kidepo, again mainly for tourist traffic. The present airfield at Lira is inadequate for future expansion, and a new site will be developed at a cost of Shs. 100,000. Kidepo Airfield will be appropriately extended, at an estimated cost of Shs. 50,000. To match the increased number of flights, fire services at the various internal airfields will be up-graded, at a cost of Shs. 150,000, and radio beacons provided, at a cost of Shs. 100,000.

C. *The East African Community and the E.A.A.C.*

14.53 Uganda is host, at Soroti, to the East African Flying School. The school is a joint project between Uganda and the East African Community. The school will train pilots and other personnel associated with civil aviation. The total cost of the project is estimated at Shs. 36 million, and Uganda's contribution, covering the construction of the school, hangars, runways and associated facilities, will amount to Shs. 8·4 million over the Plan III period.

14.54 The present aircraft fleet of the E.A.A.C. consists of 5 VC 10's, 3 DC 9's, 4 F-27's, 6 DC 3's, and 4 Twin Otters. The three DC 9's were purchased recently, and two additional aircraft of the same type will be purchased during the course of the Plan III period.

14.55 Apart from its purchase of new aircraft, which is estimated to cost Shs. 106·6 million in the Plan period, the E.A.A.C. will invest Shs. 102 million in the three Partner States. This investment will be concentrated in staff housing, terminal buildings and ground equipment. In Uganda, the E.A.A.C. workshop under construction at Entebbe will be completed, staff houses will be erected, and additional ground equipment will be provided. In addition, the E.A.A.C. is also likely to invest in profitable tourist activities. Total E.A.A.C. direct investment in Uganda is estimated at Shs. 12 million. The Government considers that E.A.A.C. investment in activities of indirect concern to its operations as an airline should be divided equally between the three Partner States and, particularly in the case of tourist development, that such investments correspond to the development priorities of the individual Partner State.

III. Railways

14.56 Railway Transport is the responsibility of the East African Railways Corporation (E.A.R.C.). For Uganda, the railway performs a function of considerable importance as the major carrier of imports and exports, on which the economy depends. Railway transport is ideally suited to the long haulage of bulk goods between the areas of production and consumption, and the main ocean ports of East Africa. In addition to its direct responsibility for rail transport, the E.A.R.C. provides inland water services on Lake Victoria (which are considered in Section IV) and on Lake Tanganyika. The Corporation also operates road and hotel services ancillary to its rail services.

14.57 Rail traffic in Uganda has grown rapidly over the immediate past. The volume of goods railed from the coast to stations in Uganda has grown from about 340,000 tons in 1964 to over 600,000 tons in 1969. Passenger traffic has grown from 141,000 in 1964 to 254,000 in 1969. Uganda accounts for 1,237 km. of the total East African railway network (5,890 km.), 51 of the 298 railway stations in East Africa, and 374 km. of the E.A.R.C. road service lines out of an East African total of 4,058 km.

14.58 There have been difficulties in the past regarding the operations of the railways in Uganda. Wagons, for example, are not always available in the required numbers at the appropriate time and place. As a result, exports from Uganda have been delayed, and congestion has developed at Mombasa Port, as imports cannot be cleared. In addition, the administration of the railways in Uganda is handled from Kampala—there being no other railway administrative district in the country—and the co-ordination of traffic movements and the daily operations of the railways have suffered as a result. Further problems have arisen regarding the distribution of E.A.R.C. investment among the three Partner States, and the Corporation's policies in the recruitment of East African nationals. Uganda is particularly concerned to ensure that neither the interests of the Community nor those of any Partner State do suffer as a result of the policies adopted on these matters. Appropriate formulae need to be worked out and applied in all these respects. A similar problem has arisen in the estimation of the contribution of Uganda traffic to the revenue of the E.A.R.C., as it appears that there may have been some undercounting of this contribution. The Government has studied all these and other problems carefully, and will make relevant representations through appropriate channels within the East African Community.

14.59 Traffic forecasts are notoriously difficult to estimate, largely because the growth of railway traffic is directly dependent on the growth of the agricultural sector, which fluctuates considerably from year to year. In the immediate past, goods traffic on Uganda's account is estimated to have grown by an annual average of 3·7 per cent although there have been years of exceptional growth largely caused by unusual movements of agricultural goods. It is expected that growth will be about 4 per cent per annum during Plan III.

14.60 The railways development programme is designed to accommodate the anticipated increase in traffic, and to improve the utilisation of existing facilities. During the Second Five-Year Development Plan, Shs. 121 million was invested in Uganda on the development of railway lines and related installations, the purchase of locomotives and wagons, the erection of the Jinja Train Ferry Terminal, the building of E.A.R.C. quarters, and by way of E.A.R.C.'s contribution towards the construction of the Pakwach rail-road bridge. However, only about 50 per cent of the programme as envisaged in the Plan was implemented.

14.61 On the basis of the current E.A.R.C. development programme which extends to 1973, and taking into account other development needs, it is estimated that the East African Railways Corporation will invest Shs. 163·8 million in Uganda over the Plan III period. The full programme is summarised in Table XIV—6.

Table XIV—6. E.A.R.C. Investment in Uganda: 1971/72—1975/76

	Total Cost
	Shs. million
Large mainline locomotives* (6)	16·0
Small mainline locomotives* (3)	6·1
Shunting trip locomotives* (3)	5·0
Shunting locomotives* (5)	3·5
Passenger carrying stock	108·0
Rolling stock*	
Kampala–Jinja line: Grading; and Soroti–Opiti line: Relaying	
Kampala–Kasese line: Ballasting and Relaying	
Kampala Station: Goods shed; Workshop and Maintenance Department; Marshalling Yard	
Kampala Railway Station—Improvement	
Jinja Station and ferry terminal—Improvement	
Kasese Railway Station and Yard—Improvement	
Pakwach West Railway Station	
Road vehicles (Kampala–Masindi Service)—Replacement	
Staff quarters	
Material and equipment for permanent way, signals and telecommunications†	
Miscellaneous other developments‡	25·2
TOTAL	163·8

NOTES.—* Allocation based on the Uganda: Tanzania: Kenya traffic correlation of 30 : 25 : 45.

† Allocation between Uganda, Tanzania, and Kenya based on mileage and utilisation.

‡ Mainly carry-overs from previous Plans.

14.62 Two railway projects are under consideration at the moment. One of these is the possibility of linking the Uganda and Zaire's railway network. A development of this, which would need careful economic and technical investigation before any capital investment is incurred, would facilitate trade between Uganda and Zaire. The second possible railway project, but one which may not be feasible for several years to come, is an extension of the line from Mbale through south and north Karamoja to East Acholi. The project will be examined in close consultation with the East African Railways Corporation.

IV. Inland Waterways

14.63 Water transport is potentially of great importance to Uganda. In the first instance, movement across Lake Victoria and thence along the railway network in Tanzania affords an alternative access to the sea. Secondly, water transport often provides the sole convenient and economic means of communication between the islands in Lake Victoria and the mainland. Waterways offer a cheap means of transport for certain kinds of traffic. Apart from the initial capital investment the operating costs, which consist mainly of maintaining navigability, are low, However, inland water services have declined in recent years. In the case of Lake Albert and Lake Kyoga, this was due to the extension of the railway line to Gulu and Pakwach. Another factor, especially for Lake Victoria, was the flooding of the lake ports caused by a rise in the water level in 1961/62.

14.64 Inter-state services on Lake Victoria are operated by the E.A.R.C. Railway ferries call regularly at the four terminals—Jinja in Uganda, Musoma and Mwanza in Tanzania, and Kisumu in Kenya. In addition, passenger and cargo service units operate a twice-weekly service between Port Bell and the Ssese Islands.

14.65 The islands have considerable potential for agricultural development and as tourist attractions. This potential will only be exploited when cheap, convenient and regular transport connections are established between them and the mainland. The natural outlet for the Ssese Islands is the Masaka area, through Bukakata. The pier there needs considerable renovation, and a completely new pier may well be necessary. The East African Railways Corporation will undertake the necessary capital expenditure to provide adequate ferry services between the Ssese Islands and the mainland, and the rehabilitation of the Bukakata pier. The total capital cost of all this is estimated at Shs. 1·6 million.

14.66 The Ministry of Works, Communications and Housing operates a number of small ferries. The Kabugoba-Buvuma Island ferry, for which a new pier is under construction, will be developed at a Plan III cost of Shs. 100,000.

14.67 Although the scope for inland water transport is apparent, there is no organised way in which the potential may be developed. A pre-investment survey of traffic potential, identification of locations which need developing, and the organisational aspects of an inland water transport system is necessary.

Particular attention will be paid to the development of steamer services on lakes Victoria, Kyoga, Albert and Edward. The survey will be undertaken during the course of the Plan period, at an estimated cost of Shs. 0·4 million, which will be met from the pre-investment study fund specified in Chapter Nine.

V. Harbours and Ocean Shipping

14.68 Uganda is a joint owner, with her Partner States, of the East African Harbours Corporation, which operates harbours on the Indian Ocean coast of Kenya and Tanzania. Of particular concern to Uganda are the operations of Mombasa Port, which is now undergoing extensive expansion. Congestion at port is acute, and Uganda's economy suffers directly as a result. It is anticipated that traffic at Mombasa Port will double by 1980, and a continued rapid development of the port facilities is called for.

14.69 The Government has been considering the possibility of a "Uganda Zone" at Mombasa Port. The purpose of this would be to quicken the clearance of Uganda goods through the port—thereby reducing overall congestion and to improve the administration of the Port. Further discussions of this possibility will be carried out through the normal channels of the East African Community.

14.70 The bulk of trans-oceanic freight and passenger services to and from East Africa's ocean ports are handled by foreign shipping companies. These companies have set up a cartel-like organisation—the East African Conference Lines—which exercises virtual monopolistic control over the transportation of East Africa's exports and imports across the seas. In an attempt to combat the dangers to East Africa's vital economic interests which are inherent in such a situation, Uganda, Kenya, Tanzania and Zambia have jointly set up a new shipping line—the East African National Shipping Line (E.A.N.S.L.) with the participation of a private shipping company. The E.A.N.S.L. began operations in 1966 and it now runs four ships. Future efforts will be concentrated on increasing the efficiency of the E.A.N.S.L. and expanding its share of the traffic. The Line will acquire additional vessels as and when the volume of business warrants it.

14.71 The Inter-Government Standing Committee on Shipping was established in 1967. The committee is expected to work in close co-operation with the East African Harbours Corporation. It advises the four Governments on shipping matters generally, and seeks to obtain, through negotiation with the shipping lines, fair and reasonable shipping rates. Shipping rates have increased dramatically in the past few years and generally without the concurrence of the East African Governments. A new strategy to resist this trend more effectively in the future and to afford better protection to the trading positions of the East African countries is being worked out. Apart from this, and until such time as the E.A.N.S.L. is equipped to handle additional business, the Government will encourage more lines to carry goods originating from and destined for Uganda. It is in the national interest that a certain proportion of the export and import trade should be handled by national or designated carriers, and additional lines will create a healthier competition in the shipping business generally. Steps will also be taken to more effectively co-ordinate the various shipping interests in Uganda, possibly by the formation of a National Shippers Council.

VI. Oil Pipeline

14.72 The possibility of constructing an oil pipeline from Mombasa through Nairobi to Kampala has been under study for some time. Uganda's interest in an oil pipeline relates to two important potential benefits. Firstly, such a pipeline may provide a more economic and reliable means of importing Uganda's mineral oil requirements, which constitute a heavy drain on foreign exchange. Secondly, an oil pipeline would relieve the capacity of the railway system, thus enabling the E.A.R.C. to meet its other obligations with a minimum of additional investment.

14.73 Several different aspects of the project are under study. Demand for fuel oil products—which has grown rapidly in the past—has to be projected to assess the viability of different types of pipeline. Secondly, there are a number of variations on the basic theme of the project: a crude-oil pipeline with a refinery in Uganda or a white oil pipeline are two distinct alternative possibilities. Thirdly, the choice of a route for the pipeline has to be selected. Finally, if the project is found feasible, then the most appropriate time and method for its construction, financing and other organisational aspects have to be determined. These studies are all related to the broader examination of future energy requirements of the economy. A final decision on the oil pipeline will be taken on the basis of the outcome of all these investigations.

VII. Postal Facilities and Telecommunications

14.74 All postal services and internal telecommunications are the responsibility of the East African Posts and Telecommunications Corporation (E.A.P. & T.) which, as already mentioned, is jointly owned by Uganda, Kenya and Tanzania. The corporation also holds a controlling interest in the East African Telecommunications Company Ltd., which provides international telephone and telegraph services. The headquarters of the E.A.P. & T. moved from Nairobi to Kampala towards the end of the Second Five-Year Development Plan. The demand for postal and telecommunications services has grown tremendously in recent years, and is likely to grow as fast in the future. This growth is mainly due to the rising level of education and literacy, increasing incomes, and the general rise in Government and business activity. The volume of letters, postcards and parcels handled by post offices in Uganda grew from 27 million pieces in 1964 to over 30 million in 1969. Telephones in use (including extensions) grew from 18,200 in 1964 to 27,000 in 1969, and, partly as a result of this, local telephone calls more than doubled. Exchange lines connections to automatic changes (with dials) grew from 6,682 in 1964 to 9,122 in 1969. During the Second Five-Year Development Plan period, the E.A.P. & T. invested Shs. 78 million in the development of facilities in Uganda, 20 per cent more than the Plan had forecast.

14.75 However, in spite of this impressive financial performance, the Plan target for 25 new sub-post offices every year was not realised. This was mainly due to difficulties in obtaining the services of suitable persons with secure premises to run postal services on an agency basis, and the lack of reliable motor-mail services between the offices to be opened and the present post offices. There are at present 257 post offices and sub-post offices in the country. The ultimate objective is to have one post office per 25,000 people. As a further step towards this goal, it is planned to open ten new sub-post offices every year during Plan III. In addition, ten present sub-post offices will be up-graded to department status. As a result of this programme, there will be, by 1976, a post office for every 40,000 people, approximately. The total capital cost of the programme is estimated at Shs. 500,000. In response to the rapidly increasing demand for private letter boxes (of which there are 24,800 at present), 1,000 new boxes are to be installed every year, over the coming five years. This, together with the installation of a number of additional stamp vending machines, is estimated to cost Shs. 75,000 during Plan III.

14.76 Apart from these services, Shs. 4·4 million will be spent on improving post office buildings and depots. New post office buildings will be installed at Kaberamaido (in 1971), Kitgum and Kayunga (in 1972), Bombo and Kisubi (in 1973), Mubende, Oboja Road—Jinja and Ngora (in 1974), Kibuye, Kapchorwa, Kyotera and Arua (in 1975) and Kisoro, Wandegeya, Nakivubo, Kakumiro and Bugiri (in 1976). Alterations and additions to post office buildings will be carried out at Entebbe, Fort Portal, Lugazi, Jinja (including its parcels office), Hoima, Soroti, Masindi, Kampala Parcels Office, Mpigi, and Kakira. The Regional Headquarters strongroom will be enlarged.

14.77 A total of Shs. 20 million will be spent each year on improving the telephone and telegraph system. Particular attention will be paid to improving the efficiency of the system, expanding trunk line capacity, and ensuring that the telephones are always available for all those who may demand them. Telephone exchanges will be installed or expanded in a number of centres and automatic exchange switches equipment will be provided in accordance with the volume of business. Subscriber Trunk Dialling facilities will be expanded. A noticeable development in the Second Plan was the introduction of a direct dialling system between the major towns of Uganda, Kenya and Tanzania. In the future, direct telecommunications links will be installed between Uganda and other neighbouring countries.

14.78 The total investment programme of the E.A.P. & T. in Uganda amounts to Shs. 105 million. Much of this expenditure will be financed from sources internal to the corporation, and the balance will be secured from external borrowing by the corporation.

VIII. Institutional Issues

14.79 The Ministry of Works and Housing is central to the proper development of the transport network. Moreover, apart from its responsibilities in this field, the Ministry is critically important in the overall implementation of the Plan as it provides specialised services to other Ministries in the detailed design and preparation of a wide range of construction projects. The organisation of the Ministry was recently reviewed, and a number of measures are being taken to improve its operational efficiency. The division of responsibility between the various functional sections of the Ministry is now clearer and greater authority will be delegated to the regional and district offices.

A planning unit is being established in the Ministry. Finally, the capacity of the Ministry to design, supervise, and construct projects has been considerably expanded recently, and will continue to be expanded in line with the growing volume of work handled by the Ministry.

14.80 Hitherto, much of the direct engineering design and supervision of construction work has been contracted to consultants. During the course of the Plan III period, the Ministry of Works and Housing will take over a growing share of this work for a number of reasons. Firstly, it will help in the establishment of a civil engineering design tradition in the country, and will enable Ugandan engineers to build up an expertise in civil engineering. Secondly, it will permit the Ministry to set standards for materials and workmanship, and will provide greater opportunities to introduce new methods and materials in the design and construction of civil works. Finally, but of considerable importance, this practice will save considerable expenditure, a large part of which has been in foreign exchange.

14.81 As stated in Chapter Eleven, the letting of contracts and contracting practices will be closely examined. A number of the issues involved are of particular concern to the road programme and other civil engineering works. As a general rule, penalties will be enforced for those contractors who fail to meet their specified contractual obligations. The practice of by-passing tenders and negotiating directly with the prospective contractor will be abolished. For the road programme, Government will ensure that there are adequate projects offered for tendering at regular intervals. This will enable companies to plan ahead, and will keep costs under control. In the letting of contracts, preference will be given to Ugandan firms, to facilitate the growth of a Ugandan civil engineering industry. The possibility of dividing contracts to encourage the development of small Ugandan firms and to promote competition will be examined, and for all contracts offered, measures will be introduced to ensure that suitable on-the-job training facilities are provided for the workers. At the moment, most road construction projects are carried out using highly capital intensive techniques. There appears to be considerable scope to increase the labour content of road maintenance and construction, and this problem will be studied with a view to devising ways and means of maximising the labour share in the investment programme.

14.82 The development proposals of the East African corporations concerned with transport matters—especially the E.A.A.C. and the E.A.R.C.—must be closely co-ordinated with the Government's thinking on these matters. There are sufficient channels for ensuring this—notably the Communications Council, the Economic Consultative and Planning Council and its committees, and the boards of the corporations. The necessary measures to strengthen Uganda's representation in the East African Community and corporations are summarised in Chapter Nine.

14.83 One item of development expenditure of Government which though not specifically related to transport development, is most conveniently mentioned in this context is the purchase of vehicles, plant, and equipment of a general nature for the normal functions of the Ministry of Works and Housing, and for vehicles for those Ministries which do not have a provision specified elsewhere in the Plan. The operation and management of the central mechanical workshop will be reviewed early in the Plan period, and the feasibility of centralising all national Government civilian mechanical workshops will be explored. The future development of regional and district mechanical workshops will be examined in the same light. Subject to the outcome of the review a Plan provision of Shs. 15·0 million is made up for the purchase of items mentioned above. The estimated cost for the construction and equipping of the mechanical workshops will depend on the recommendations of the review.

IX. Summary of Investment Programme

14.84 Total investment on the projects described in this Chapter is estimated at Shs. 1,148·5 million. Of this amount, Shs. 761·1 million will be spent by Government, and this is summarised by major programme in Table XIV—7. The balance, Shs. 387·4 million, represents total investment by the East African Community Corporations in Uganda over the Plan III period. This programme is summarised in Table XIV—8.

Table XIV—7. Transport and Communications: Government Development Expenditure*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	ROAD DEVELOPMENT (BITUMEN) PROGRAMME		216·1	168·5
14–1	Completion of on-going construction work—Bitumen roads	MWH	50·0	50·0
14–2	Fort Portal–Kichwamba Road	MWH	4·2	2·6
14–3	Kyenjojo–Kagorogoro Road	MWH	2·8	2·8
14–4	Kyenjojo–Mityana Road	MWH	64·0	64·0
14–5	Hoima–Masindi–Kafu Bridge Road ..	MWH	30·4	30·4
14–6	Lira–Soroti Road	MWH	31·0	—
14–7	Kampala–Entebbe Road	MWH	20·0	5·0
14–8	Kampala–Mukono Road	MWH	7·0	7·0
14–13	Busia–Buwayo Road	MWH	6·7	6·7
	ROAD DEVELOPMENT (GRAVEL) PROGRAMME		228·1	96·6
14–10	Completion of on-going construction work—Gravel I	MWH	14·9	14·9
14–20	Completion of on-going construction work—Gravel III	MWH	20·7	20·7
14–11	Kyenjojo–Hoima Road	MWH	14·8	—
14–12	Packwach–Arua–Vurra Road	MWH	20·6	20·6
14–14	Kyotera–Mutukula Road	MWH	8·6	—
14–15	Kabale–Katuna Road	MWH	10·5	5·9
14–16	Busunju–Katera Road	MWH	6·4	—
14–17	Terinyi Swamp Crossing	MWH	7·6	7·6
14–18	Masindi–Kyabatwa Road	MWH	9·6	—
14–19	Moyo–Adjumani–Atiak–Gulu Road ..	MWH	22·4	7·5
14–21	Karuma Bridge–Olwiyo Road	MWH	5·5	—
14–22	Muyembe–Kapchorwa–Suam Road ..	MWH	27·8	10·0
14–23	Kichwamba–Bundibugyo Road	MWH	16·8	—
14–24	Moroto–Kotido–Kidepo Road	MWH	21·4	5·0
14–25	Kitgum–Koputh Road	MWH	12·2	—
14–26	Hoima–Kakumiro–Mubende Road ..	MWH	8·3	4·4
	ACCESS AND FEEDER ROAD PROGRAMME ..		45·0	22·5
14–29	Access and Feeder Roads	MWH	45·0	22·5
	CITY AND TOWN ROADS PROGRAMME ..		35·0	15·0
14–31	Contributions to LALF—City and Town Road Development	MLA	35·0	15·0

Table XIV—7. Transport and Communications: Government Development Expenditure—*continued*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	REHABILITATION OF MAIN ROADS PROGRAMME		53·1	16·9
14–32	Rehabilitation of Jinja–Iganga Road ..	MWH	1·8	1·8
14–33	Rehabilitation of other bitumen roads ..	MWH	22·5	6·7
14–55	Rehabilitation of gravel main roads ..	MWH	28·8	8·4
	BRIDGE DEVELOPMENT PROGRAMME ..		15·0	2·0
14–52	Construction of Bridges	MWH	15·0	2·0
	ENTEBBE AIRPORT DEVELOPMENT PRAGRAMME		108·3	108·3
14–34	Entebbe Airport—Completion of New Runway	MPC	35·0	35·0
14–35	Entebbe Airport—Parking Apron ..	MPC	13·0	13·0
14–36	Entebbe Airport—Air Traffic Control Tower and Console	MPC	2·8	2·8
14–37	Entebbe Airport—Night-stop Apron, Hangars and Taxiways	MPC	2·0	2·0
14–38	Entebbe Airport—Standby Generator and Ground Equipment	MPC	2·6	2·6
14–39	Entebbe Airport—Fire Service Equipment	MPC	1·6	1·6
14–41	Entebbe Airport—Access Road to Parking Apron	MPC	0·5	0·5
14–51	Entebbe Airport—New Lake Launch ..	MPC	0·8	0·8
14–42	Entebbe Airport—Construction of New Terminal Building	MPC	50·0	50·0
	OTHER AIRFIELDS DEVELOPMENT PROGRAMME		7·0	4·0
14–40	Provision of Radio Beacons at Internal Airfields	MPC	0·1	0·1
14–43	Forward Planning/Minor Works—International Airfield in the Northern Region	MPC	0·5	0·5
14–44	Kasese Airfield—Improvements to Runway	MPC	3·0	3·0
14–45	Jinja Airfield—Improvements to Runway ..	MPC	3·0	—
14–46	Extension of Kidepo Airfield	MPC	0·1	0·1
14–47	Improvement of fire services at Internal Airfields	MPC	0·2	0·2
14–54	New Lira Airfield	MPC	0·1	0·1
	CIVIL AVIATION TRAINING PROGRAMME ..		8·4	8·4
14–48	East African Flying School, Soroti ..	MPC	8·4	8·4
	INLAND WATERWAYS DEVELOPMENT PROGRAMME		0·1	0·1
14–49	Kabugoba-Buvuma Island Ferry ..	MPC	0·1	0·1
	GENERAL ADMINISTRATIVE AND COMMON SERVICES PROGRAMME (TRANSPORT) ..		45·0	38·0
14–30	Survey, Design and supervision of roads and bridges	MWH	30·0	30·0
14–50	Miscellaneous vehicles, plant and equipment for general Government use	MWH	15·0	8·0

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* The relationship between the bank and high priority allocation to each project is described in Chapter Eight (paragraphs 8.7–8.10). The system of code numbers associated with each project is explained in Appendix I.

† MLA=Ministry of Local Administrations.
MWH=Ministry of Works and Housing.
MPC=Ministry of Power and Communications.

Table XIV—8. Investment by East African Community Corporations

		Shs. million
1.	East African Airways Corporation	118·6
2.	East African Railways Corporation	163·8
3.	East African Posts and Telecommunications Corporation	105·0
	TOTAL ..	387·4

Chapter Fifteen

FUEL AND POWER

15.1 The development of a nation's energy resources is an essential ingredient of social and economic progress. In Uganda, where no deposits of coal or oil have yet been found, the main sources of energy are wood, charcoal and hydro-electric power which are domestically produced, and petroleum products which are imported. Of these, wood and charcoal are by far the most important, in terms of the amount of energy provided. Although electrical power and petroleum products together satisfy only about one tenth of Uganda's total energy use, they are of crucial importance in the monetary sector of the economy.

15.2 An important feature of economic development, of the modernisation of the economy, and particularly of industrialisation is that the proportion of total energy requirement met by electrical power and petroleum products tends to rise, while that met by wood and wood products tends to fall. In Uganda's case this trend is reinforced by the fact that in certain areas our wood and charcoal resources are becoming depleted through over-exploitation. Because of this, and because of the growth in per capita incomes, a shift from the use of wood to the use of charcoal (which is a more efficient energy source) and from charcoal to kerosene is likely, as far as domestic use is concerned. The rapid growth of kerosene sales in recent years is evidence that this trend is already well established. In the case of industrial use, except in a few cases where a wood or wood-based fuel is available as a by-product, electricity and petroleum products are the usual substantial sources of energy. A rapid growth of the industrial sector is therefore an important factor contributing to increased reliance on these two energy sources.

15.3 Growing dependence upon the use of petroleum products has serious implications for the foreign exchange position. Retained imports of petroleum products grew from Shs. 17·3 million in 1960 to Shs. 78·4 million in 1970, an average growth of 16·2 per cent per annum. Any developments which can reduce the foreign exchange implications of this dependence are therefore of importance. There are several possibilities in this field. First, a substantial element of the foreign exchange cost of imported fuel is the cost of processing the crude oil, and of transporting the products from the coast to Uganda. With a view to reducing these costs, careful consideration is being given to the possibility of constructing a pipeline to carry oil from the coast, and, in particular, of constructing a refinery in Uganda. Secondly, electricity and fuel oil are frequently substitutable sources of energy for heavy industrial use, a Government's electricity tariff policy over the next few years (*see* paragraph 15.11) should make electrical power increasingly more attractive th fuel oil. The extent to which these energy sources can be economically int changed has important implications both for the viability of establishing t refinery and/or building the oil pipeline, and for the development of dema for electricity. Any decision on the development of electric power generati on the refinery and on the pipeline will all be based upon a careful examinati of this potential for substitution. In addition, Government will actively encoura prospecting for domestic sources of oil and will carry out investigations into t potential of exploiting geo-thermal power sources within Uganda. Further, t possibility of reducing the foreign exchange cost of petrol by the addition domestically produced industrial alcohol is being investigated. Finally, there is t possibility of replacing with locally produced charcoal a part of the imported fu oil (and, of course, the imported charcoal) which is at present used by the ceme industry. (*See* Chapter Eleven regarding the investigation into the possibili of using charcoal as a reductant in the iron and steel industry). Barring th discovery of substantial local oil resources, but assuming some progress in th exploitation of the other possibilities just outlined, the foreign exchange co of imported fuel will still rise rapidly, reaching Shs. 143 million in 1976.

15.4 The provision of electricity is an indispensable element of the infr structure necessary for economic development and particularly for industrialis tion. As a source of domestic power, it is also of considerable potential materi benefit to the whole population, although its development to this end is present inevitably limited. This is partly because of the very great expense o extending the network into the rural areas where population and hence deman is scattered, and partly because it tends to be a comparatively expensive sourc of energy as far as the domestic user is concerned.

15.5 During the Second Five-Year Development Plan period there ha been considerable expansion in the capacity of the generation and transmissio network of the Uganda Electricity Board. A major development was the commissioning in July, 1968, of the tenth and last 15 MW generating set at Owe Falls bringing the total nominal capacity at the station to 150 MW. A diese generated supply for Moroto came into operation in 1966 and similar supplie were provided in Kitgum and Mubende in 1969 so that all district headquarters except Kapchorwa and Kotido, are now served by U.E.B. In 1970 th Masaka-Mbarara 33 KV transmission link was completed so that Mbarara Kikagati and Kyerwa Mines in Tanzania are now connected to the Owen Falls power station. The hydro-electric set at Kikagati is now being dismantle and transferred to Kabale, to expand generating capacity there. Also in 1970 a diesel set was installed at Rukungiri in Kigezi District, and work started on th construction of the Mbale-Lira 132 KV transmission line. This line, which i an extension of the Tororo-Mbale branch, is being built with such a larg capacity partly to provide power to the Lira Spinning Mill, due to be commissioned early in the Plan III period, which will require 8 MW, and partl because it will eventually form a link in the national ring grid. Throughou the Plan period the expansion of the existing supply network from Owen Falls continued steadily. The number of consumers rose from 48,412 in 1966 to 63,305 in 1970.

15.6 The Second Five-Year Development Plan envisaged that sales of electrical energy supplied by U.E.B. would grow by 12 per cent per annum between 1965 and 1971. Actual growth, however, is likely to be only 5 per cent per annum. An examination of the detailed breakdown of the disposal of power, however, reveals that sales under the various domestic, commercial, and standard industrial tariffs and sales to Kenya over the period 1966–1971 are likely to turn out very close to the Second Plan targets. The shortfall in sales can almost entirely be attributed to the fact that sales under the special industrial tariff are likely to be about 200 million kWh in 1971, while the Plan forecasts a figure of 570 million kWh in that year. In part, this wide difference has arisen because the Plan target was over optimistic. More important though, the rate of industrial growth during the Second Five-Year Development Plan has been very much lower than the Plan target rate, so that the demand for electricity for special industrial use has been adversely affected. In particular, the Plan expected a sharp increase in the use of electricity under the special industrial tariff particularly as a result of the implementation of the nitrogenous fertiliser project, which scheme has not been carried out. A further factor has been that one of the large users of electricity under the special tariff has switched to the use of fuel oil.

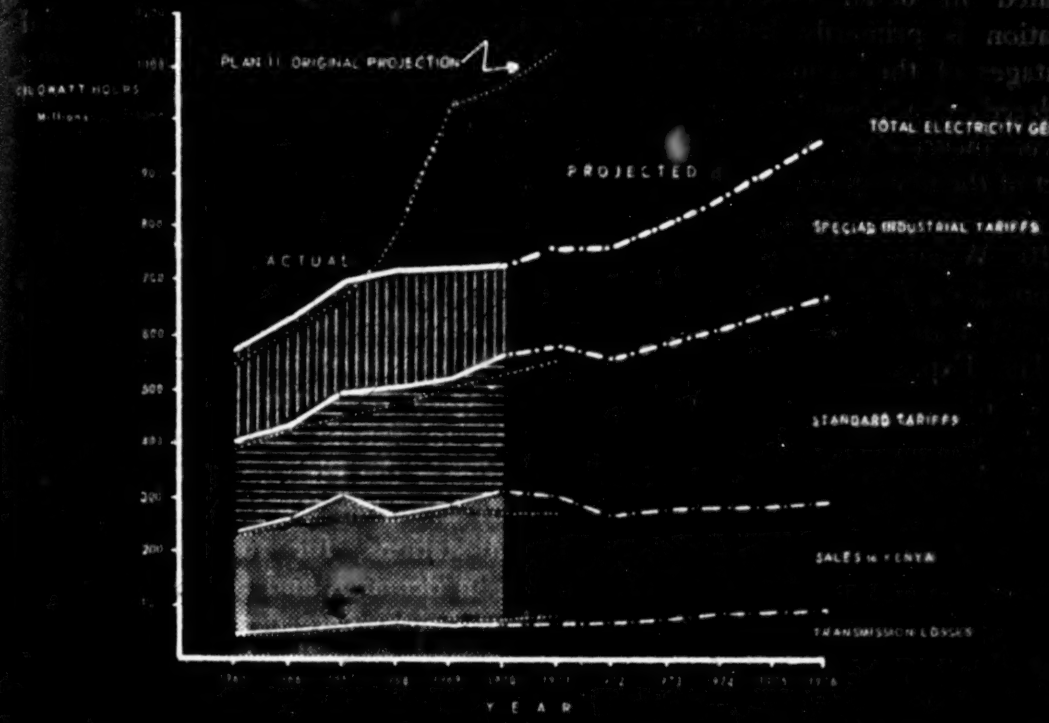
15.7 Any estimate of the future demand for electricity under the special industrial tariff is unavoidably subject to considerable uncertainty, and this makes the projection of total demand for electricity during Plan III and beyond particularly difficult. It is quite clear that the rates of growth of total sales achieved in the early sixties—averaging 10·5 per cent per annum between 1958 and 1965—will not be achieved over the Plan III period. This is partly because industrial growth at the rapid rates achieved in the early sixties, when industrialisation was just beginning, cannot be expected in the near future. It is also because, now that there is complete coverage of all the main concentrations of population, the growth of sales under the non-industrial tariffs must be derived more from new connections and higher unit consumption in those areas presently covered by the network than from extensions of the network to new areas of the country. In addition, since no increase in the sales of electricity to Kenya is expected, the growth of total sales will be rather lower than the growth of sales within Uganda. Taking these factors into consideration domestic consumption of electrical energy generated by U.E.B. is expected to rise from 450 million kWh in 1971 to 670 million kWh in 1976, and to 1,000 million kWh in 1981—an average growth of 8·3 per cent per annum. Sales to Kenya are expected to amount to 240 million kWh in 1971, and to remain fairly steady at around 200 million kWh per annum thereafter. The growth of total sales of electricity between 1971 and 1981 will, therefore, be in the region of 5·7 per cent per annum. These forecasts, together with a comparison of planned and actual disposals of electrical energy during the second Plan period, are shown in Table XV—1 and Diagram 5. on the basis of present tariff, U.E.B.'s operating revenue is expected to grow

Table XV—I. Actual and Estimated Sales and Generation of Electricity of U.E.B., Selected Years

	ACTUAL		FORECAST						
	1966	1970	1971	1972	1973	1974	1975	1976	1981
Sales to Kenya	203·0	247·2	240	200	200	200	200	200	200
Standard tariffs	179·4	250·6	270	290	309	330	356	380	533
Special industrial tariff	196·3	164·2	180	198	218	240	264	290	467
Total sales	578·7	662·0	690	688	727	770	820	870	1,200
Losses	56·2	72·6	74	76	81	86	93	98	138
Total generated	634·9	734·6	764	764	808	856	913	968	1,338
Maximum demand (M.W.)	113·9	124·6	127	128	134	142	152	161	222

DIAGRAM 5 ACTUAL and PROJECTED SALES and GENERATION of ELECTRICITY by UGANDA ELECTRICITY BOARD

1965 to 1970 ACTUAL and 1971 to 1976 PROJECTED



from Shs. 105 million in 1971 to Shs. 151 million in 1976, and Shs. 220 million in 1981, an average growth of 7·7 per cent per annum.

15.8 If these forecasts are correct, and if the daily and annual patterns of maximum demands remain unchanged from the steady configuration of recent years, the total power capacity required will rise from 127 MW in 1971 to 161 MW in 1976, and 222 MW in 1981. Although the nominal capacity of the Owen Falls station (which is the source of virtually all the power supplied by the Uganda Electricity Board) is 150 MW, firm capacity is rather lower than this. It is possible to overload the two newest of the ten sets at Owen Falls for short periods, at just over 17 MW each, but one of the remaining sets must always be held on standby. Overall, the firm power capacity of the station is no more than 140 MW. On the basis of the projections above, it will therefore be necessary to provide additional capacity by early 1974.

15.9 Government is giving careful consideration to the way in which this additional requirement will be met, and a decision on this will be reached early in the Plan period. There are several possibilities. For a few years, the additional demand will occur for short peak periods only, and the most economic way of meeting it may be by installing one or two gas turbines or by purchasing power from Kenya. In the longer run, however, as the basic load grows, it will be necessary to construct either a new thermal station based on fuel oil, or a new hydro-electric station. The viability of a thermal station is intimately related to the economics of constructing a refinery in Uganda. As far as hydro-electric potential is concerned, there are several possible sites at which a new station could be built. The most obvious alternative sites are on the River Nile and its tributaries. All these are bein evaluated in detail before the necessary investment is undertaken. Th evaluation is primarily intended to determine and compare the commercia advantages of the various alternatives. In this context, the Aru Falls is bein considered as a possible site for the new station. The overall evaluation wil however incorporate, where this is relevant, a full assessment of the likel impact of the new station on the ecology of the surrounding areas.

15.10 Whatever arrangements are be made for satisfying projected demand i the immediate future, work on the construction of a major power station an associated transmission lines will, in all probability, be commenced durin Plan III. Expenditure on this development is estimated to be in the regio of Shs. 400 million over the Plan period. Apart from this, U.E.B. will b involved in considerable capital expenditure to extend the present suppl network. About Shs. 100 million will be spent over the Plan on connecting ne consumers in areas where electricity is already available. This amount include expenditure for constructing additional sub-stations, for reinforcing transmission capacity to accommodate the growth in demand, and for the construction of a small hydro-electric station in West Nile, where demand is growin rapidly. In addition U.E.B. will spend about Shs. 40 million during the Plan on the capital development of uneconomic supply extensions, to bring th benefits of electricity to new parts of the country. In this regard diesel sets are to be installed at Kapchorwa in 1971, and at Kisoro and Kotido in 1972. In addition, the supply of Owen Falls power will be extended to about 30 other locations in all parts of rural Uganda, including Amuria, Ibanda, nort Busoga, Muyembe, Apach and Anaka.

15.11 Government's policy is that the existing tariff rates should remain unchanged during the Third Plan period. Any increase in rates would place an unfair burden on existing consumers, and would discourage further extension of the network. The present tariff will generate sufficient revenue to meet U.E.B.'s existing loan commitments, to finance the capital developments mentioned in the previous paragraph, and to finance a part of the cost of th new power capacity requirements.

Chapter Sixteen

WATER

16.1 Uganda is a country well endowed with water resources. Eighteen per cent of her surface area is covered with open water or swamp and 73 per cent of the country receives not less than 1,000 millimetres of rainfall per annum. Nevertheless, water is a valuable resource whose use must be carefully planned. Despite its general abundance, there are many parts of the country where there is a general shortage of water; throughout the country there are localised areas where the lack of water is a factor inhibiting development. In certain parts of the rural areas there is frequently a shortage of water for domestic and farm use, and in the urban areas there are special needs created by the concentrated demands for domestic consumption and for industrial use. Government's objective in water development is to harness and utilize Uganda's water resources for the benefit of the entire population.

A. Research

16.2 A basic pre-condition for the rational exploitation of our water resources is that more should be known about the hydrological, geological and meteorological factors which determine water availability in all parts of the country. During the Second Plan, substantial progress was made in this respect. Two major research projects were undertaken during the Plan period. The first of these investigated the potential of underground water supplies in Karamoja. The project, started during the First Five-Year Development Plan, was completed in 1968. The survey was located in Karamoja because of the special needs for water in that district. The results of the survey indicated that no large underground reservoirs of water exist in Karamoja, although small fissure systems suitable for the provision of supplies of water for domestic and livestock use were located throughout the district. Seven areas of potentially high ground water yield were also delineated, but the exploitation of this potential would be very expensive. The study also involved an evaluation of the different methods of ground water detection, and concluded that only seismic techniques offered an improvement on the evaluation of general geological and topographical considerations on which the present method of locating boreholes is based. Because of the expense of seismic techniques, however, they will only be applied where high yielding boreholes are specially required.

16.3 The second major research programme, the Hydrometeorological Survey of the catchments of lakes Victoria, Kyoga and Albert, was started in August, 1967, with the participation of the governments of Uganda, Tanzania, Kenya, Sudan and the U.A.R., and the United Nations Development Programme. The objectives of the project are the collection and analysis of hydrometeorological data for these three catchment areas in order to study the water balance of the Upper Nile. The first phase of the project will be completed in 1972, and the participating governments have agreed to extend data collection for at least a further five years. In addition, it has been agreed that Rwanda and Burundi should participate in the project, thus extending the study to include the whole of the Kagera river basin. The project headquarters are located in Uganda. Uganda's financial contribution during Plan III will amount to Shs. 3 million.

16.4 The Water Development Department of the Ministry of Mineral and Water Resources has for many years been concerned with the collection and analysis of hydrological and meteorological data for all parts of the country. During the Second Plan, the Department was closely involved in the hydrometeorological survey of Lakes Victoria, Kyoga and Albert. In order to supplement the information which is being obtained from the survey, the department also embarked upon a series of river basin surveys, with the purpose of determining and designing the optimum use of known water yields of selected perennial rivers, tributary to the main Nile system. So far the Koki lakes system and the Ora and Nyamagasani rivers have been surveyed. The Department has been closely associated with the U.N. International Hydrological Decade, 1964–74, and under this programme it has initiated rural and urban catchment investigations and a study of the Ruwenzori glaciers. The Department has also been engaged in design work for Government irrigation projects.

16.5 During Plan III, the river basin survey programme will be continued, and additional equipment for the execution of the scheme will be purchased at a cost of Shs. 1·8 million. The studies under the Hydrological Decade will also be continued as a part of the Department's recurrent programme. Irrigation engineering services will continue, at a cost of Shs. 1·0 million over the Plan. The present knowledge of ground water resources in north-eastern Uganda is to be reviewed with a view to identifying areas where further investigation and study is necessary. In addition, work will start during the Plan on an investigation of sand rivers in North and South Karamoja, to determine the potential yield of the seasonal flows, and to devise methods for the storage and use of their water. The investigation will include the construction of pilot schemes, and it is hoped that this survey will make possible the provision of a major additional source of water for the two districts. Development expenditure by Government on the project is estimated at Shs. 4·5 million. A further amount of Shs. 1·0 million will be required for miscellaneous expenditure on hydrological investigations and research by the Department.

B. Rural Water Supplies

16.6 The development of rural water supplies for domestic and farm use is a programme of potentially enormous benefit to the mass of Uganda's population. The regular provision of adequate and clean drinking water is a fundamental requirement for the improvement of health. Increasing the number of water supply points is one of the basic ways in which rural life can be improved, by reducing the burden of water carrying over long distances. In some areas, the provision of adequate water supplies for use in irrigation or in livestock raising removes one of the most serious obstacles to agricultural development, and permits an improvement in rural incomes. For all these reasons, Government attaches the utmost importance to the development of all kinds of rural water supplies and therefore accords this programme a very high priority during the Plan III period.

16.7 In the past, Government's major effort in this field has been in the construction of rural boreholes. Boreholes have the advantage that the groundwater which they tap is usually free from harmful impurities so that it can be used without treatment for domestic consumption. Typically, a borehole can provide about 300 gallons per hour which is considered sufficient for about 500 people.

16.8 The Second Five-Year Development Plan objective in this regard was the construction of 1,000 additional boreholes during the Plan period. In mid-1966, there were 3,680 boreholes in the country, of which a small proportion were powered boreholes, mainly supplying schools, prisons, trading centres and other concentrations of rural population; while the remainder were hand-pump boreholes, mainly supplying the rural population at large. By the end of 1970, the total number of boreholes had reached 4,640, serving about 2½ million people. The plan target has thus been broadly achieved.

16.9 The Government has established its own Borehole Construction Unit which became fully operational with a capacity of 200 boreholes per annum in 1969. Accordingly, the use of contract drillers for borehole construction is now being phased out. With effect from the beginning of 1968, Government assumed responsibility for the maintenance of all district administration boreholes and the administrations pay an annual fee of Shs. 625 per borehole for this service. There has since been a marked improvement in the maintenance of boreholes and the backlog of repair work has now been substantially cleared.

16.10 The perspective target is that the country should have at least 12,500 boreholes by 1986. If, on the achievement of this target, all boreholes were evenly distributed throughout the country, this would mean that every person would be within 3 kilometres of a borehole water supply. In fact, of course, boreholes will be sited taking account of population distribution and the distribution of alternative safe water supplies so that, although some people will be more than 3 kilometres from the nearest safe water supply, most people will be far closer. This number of boreholes should be adequate to serve more than half the rural population at that time. The target for borehole construction is, however, an ambitious one, and will require a major mobilisation of financial resources and an expanded effort in the training of drillers if it is to be achieved. It will also be necessary to strengthen the hydrogeological unit within the Geological Survey and Mines Department in order to service the expanding siting programme which will be required. In distributing boreholes, particular attention will continue to be paid to the special needs of Karamoja.

16.11 During the Third Five-Year Development Plan, 1,500 boreholes will be drilled. One thousand and two hundred of these additional boreholes will be for public use, and the remainder will be drilled, on an agency basis, for a variety of other special users, particularly Government institutions. To achieve this target, it will be necessary to gradually enlarge Government's Borehole

Construction Unit from its present capacity of 200 boreholes a year to 400 boreholes a year by 1975/76. This requires the purchase of four new drilling rigs each year of the Plan at a total cost of Shs. 7 million over the Plan; the cost of operating the Construction Unit during the Plan III period is estimated at Shs. 37·4 million. Operation of the borehole maintenance service will cost a further Shs. 10 million. Additional expenditure amounting to Shs. 2 million will also be required during the Plan period for the transfer of the headquarters of the Borehole Construction Unit from its present site in Entebbe which is not large enough to accommodate the expansion of the Unit which is envisaged.

16.12 In some parts of the country, geological and topographical conditions preclude the construction of boreholes. The only alternative is to provide piped water supplied from a surface source, which requires a purification plant. Because of the expense of such supplies, their construction in rural areas will only be undertaken when significant concentrations of population are to be served. During the Second Five-Year Development Plan, there were three projects of this kind carried out by the Water Development Department. The provision of a water supply in the area around Kisoro was started towards the end of the First Five-Year Development Plan period, and was completed in 1970. At Muhokya, in Toro, a water supply from the Muhokya River was completed in 1970, using NUYO labour. Thirdly, work was started in late 1969 on the Bunyaruguru water supply scheme in Ankole. The completion of these three schemes will bring piped water to rather more than 75,000 people at a total capital cost of over Shs. 4·0 million. The Plan III cost of completing these schemes, and the cost of installing a piped water supply at Paidha is Shs. 0·4 million.

16.13 Several further developments of this kind are planned for the period 1971–76. At Lake Nakivali, in Ankole, there is an area which has been settled by about 9,000 refugees, and there are also about 25,000 Ugandans living in the vicinity. A piped water supply for all these people is to be provided at an estimated cost of Shs. 8·1 million. In addition, sixteen locations have been identified (*see* Map E) as places where there is a need for piped water supplies, and where this need can be met at reasonable expense. These projects will together cost Shs. 4 million, and will serve about 50,000 people.

C. Urban Water Supplies

16.14 The water supply needs of the rural and urban areas are quite different in nature. In the rural areas, where population is scattered, the main requirement is for many small sources of uncontaminated drinking water. Boreholes, which can provide limited amounts of water, and which do not require an additional purification plant, are, therefore, particularly suited to the needs of rural areas. In the urban areas, much larger sources of supply are necessary to meet the demands which arise from the heavy concentration of population and of industrial activity. Such large quantities of water can only be obtained from surface sources, so that complex purification and transmission systems are necessary. In addition, adequate sewerage and waste water disposal is of the utmost importance if serious urban health risks are to be avoided. It is for all these reasons that it is necessary for Government to spend disproportionately more on urban compared to rural water supply and sewerage disposal. Because Government accords higher priority to the development of rural water supplies, charges will be levied in the urban areas to cover the overall cost of the urban water supply and sewerage disposal systems. Paragraph 16.25 contains further details of Government's water tariff policy.

16.15 There have been significant developments in the provision of urban water supplies during the Second Five-Year Development Plan. From the long-run point of view, the most important development is that master plans for water supply and sewerage disposal schemes for all urban areas have been completed. For Greater Kampala and Greater Jinja, where very rapid population growth is expected, master plans up to the year 2000 have been completed, and the preliminary engineering design for those schemes which need to be implemented during the Plan III period has been prepared. For all other urban centres, projections of water and sewerage requirements, up to 1990, have been prepared, and the design work and the preparation of tender documents for those priority projects which are to be implemented during Plan III has been completed.

16.16 While these master plans were being prepared for long-run development, it was necessary to carry out emergency extensions to water and sewerage systems in many urban areas because of the pressures of existing demands, and to accommodate the needs of the immediate future. In Kampala, the Kampala and District Water Board carried out extensions to the water supply by expanding the treatment works at Gaba, constructing a booster pumping station at Bunga, laying more distribution mains, and constructing additional reservoir capacity at Naguru and Muyenga. All these developments cost almost Shs. 28 million, of which Shs. 15 million related to emergency works for immediate needs, and the rest to works required to cater for expansion of demand up to 1974. Kampala City Council has also commenced emergency extensions to the sewerage system, including the construction of a new treatment plant adjacent to the existing works, and the installation of new sewerage mains at a total cost of close to Shs. 30 million. This project was started in 1967 and was expected to take two years to complete but, because of financial difficulties experienced by the contractor, it will now not be completed until the end of 1972. Apart from this project, Kampala City Council has installed drainage and sewerage mains in the Nakawa Industrial Area. Emergency sewerage and surface water drainage extensions have also been carried out in Jinja at an estimated total cost of just over Shs. 2·5 million between 1966 and 1971. Over the same period, water supply extensions costing an estimated Shs. 5 million have been completed in Jinja. In Mbale, Shs. 1 million was spent over the Plan period to meet emergency water and sewerage extension requirements mainly created by the erection of a textile mill in that town.

16.17 There have also been developments in the urban areas other than Kampala, Jinja and Mbale. In several places, limited water supplies have been provided for public use at the same time that supplies for the rural hospitals were installed. In addition, extensions, mainly of an emergency nature, have been constructed by the Ministry of Works, Communications and Housing for 12 other water and sewerage systems. Shs. 2·1 million of the cost of these projects is carried over into Plan III. Water supplies and sewages disposal schemes have also been constructed for a wide range of Government projects completed during the plan period.

16.18 The projects to be implemented during Plan III will form the first phase of the implementation of the master plans for urban water and sewerage. In Kampala, although the recent extensions to the Gaba headworks will be sufficient for requirements up to 1974, it will be necessary to start work before then on further extensions which will provide sufficient capacity up to 1980. There are also to be major extensions to transmission and distribution mains, and to reservoir capacity, as well as miscellaneous other minor works. Total expenditure during the Plan III period on expanding the Kampala water supply is expected to be Shs. 34·7 million. Major sewerage extensions in Kampala will also be carried out, and expenditure by Kampala City Council on this work will amount to Shs. 45·2 million during Plan III, including expenditure on work carried over from the Second Five-Year Development Plan. Existing sewer and treatment capacity will be expanded and the sewerage network extended to new areas including Ntinda, Nakawa, Masaka Road, Kawempe and Port Bell.

16.19 In Jinja, the existing water intake and treatment works at Walukuba is sufficient to meet requirements up to 1976, but it will require extension during Plan III to meet needs beyond that time. There will also be rapid expansion of the network of distribution mains, and additional reservoir capacity will be constructed. Total expenditure during Plan III on these and other miscellaneous works will amount to Shs. 9·2 million. Major expansion of the sewerage and drainage systems will also be carried out at a cost of Shs. 13·0 million. In Mbale, major extensions of the water supply at a cost of Shs. 5·4 million, and to the drainage and sewerage networks at a cost of Shs. 2·2 million, will be carried out during the Plan.

16.20 In most of the remaining urban centres, there is a pressing need for the extension of the existing water and sewerage networks or for the construction of entirely new systems. Taking into account the improvements carried out during the Second Five-Year Development Plan, and the long-term needs in these areas, priorities for development during the Plan III period have been worked out. The first phase is the augmentation of twelve existing water supply systems, the installation of eighteen new water supplies, and the augmentation of five existing sewerage systems. Construction of all these schemes is scheduled for completion by the end of 1973/74, at a total cost of Shs. 53·5 million. The second phase of the programme is the provision of water supplies at eight further urban centres and of sewage disposal schemes at two places and this will be implemented between 1972 and 1974 at a total cost of Shs. 2·0 million. The third phase, comprising the installation of a further 30 water supplies, will be completed by the end of the Plan period, at a cost of Shs. 8·7 million. The location of all these projects is shown in Map E.

16.21 The expansion in urban water supplies and sewerage systems which is envisaged will require a substantially increased number of skilled technicians and engineers to administer and maintain the systems. This is an area where there is already a shortage of manpower with the appropriate training and skills.

Government is now carrying out a study of the precise manpower needs which are likely to be generated in this field over the next few years, and training and scholarship programmes will be based upon this study.

D. Administrative Arrangements and Government Water Policy

16.22 There has for some time been a need to co-ordinate the use of our national water resources. For one thing, with many users who require water for a variety of purposes, there are instances where lack of co-ordination had led to the establishment of duplicating facilities or where it has prevented the extension of systems installed for one particular user to other users in the vicinity. Furthermore, the time is approaching when, in some areas, demand will not match available supplies so that conflicting claims to this national resource must be arbitrated. Thirdly, Government's control over the use of our water resources is at present exercised through several separate legislative instruments. Early in the Plan period, legislation will be introduced to bring all this control under the aegis of the Ministry of Mineral and Water Resources. Specifically, the Ministry will be responsible for issuing water rights for any purpose and throughout the country. In the exercise of this responsibility, care will be taken to ensure that water rights are issued for uses of national priority, and that a co-ordinated use of our water resources is achieved.

16.23 There is also need to rationalise the present administrative structure within Government, relating to the provision of water and sewerage facilities. There are several departments and ministries which, through their own special interests relating to water, have special responsibilities in this field and which have acquired units capable of designing and constructing water supply and sewerage disposal schemes of various kinds. Early in the Plan period, Government will establish a National Water Board which will become the only Government agency involved in water supply and sewerage disposal, apart from the Borehole Section of the Geological Survey and Mines Department, which will continue to drill and maintain boreholes, and the Water and Drainage Section of the Ministry of Works and Housing, which will continue to be responsible for the installation and maintenance of internal water supply and sewerage disposal systems for Government projects and institutions. As a first stage, the Board will assume responsibility for the provision, operation and maintenance of public water and sewerage systems in Kampala and Jinja. Later in the Plan, this responsibility will be extended to all urban centres, and eventually to piped rural water supplies as well. The Board, like any other agency, will have to apply for any water rights it wishes to acquire, although there will be no question of issuing water rights for the provision of public supplies in those defined areas which the Board covers to any other applicant. The Board will be responsible for its operations to the Minister for Mineral and Water Resources.

16.24 Total capital expenditure on public piped water supplies and sewerage systems during the Plan III period will amount to Shs. 176·0 million. Of this amount, Shs. 93·5 million will be provided by Government from the development budget, and will in due course form Government's capital contribution to the National Water Board. Of the balance of the cost of the schemes, Shs. 82·5 million, about one half will come from surpluses generated by the operat of public piped water and sewerage systems, while the other half will be the form of locally raised commercial finance.

16.25 It is Government policy that all borehole water supplies should conti to be available to users free of any charge. For public piped water supplies, new Board will be the main vehicle for the implementation of Governme water tariff policy. The Board will be expected to levy charges which ens that the overall cost of the water and sewerage facilities which it provide adequately covered, including a reasonable return on total capital employ With effect from the beginning of the Plan, however, no charge will be mad the users of standpipe water supplies. Instead, each local authority will reimbu the Board for the cost of standpipe supplies provided within its area. T number of standpipe supplies available in urban areas is to be greatly expan during the Plan period, so that a far larger proportion of the urban populat will have available the uncontaminated water supplies which are so import to urban health. In addition, the Board will be required to ensure that charges which it levies on all categories of users are uniform throughout country, so that the operation of some individual systems may be subsidi from the surpluses generated by others.

V. Summary of Government Expenditure

16.26 The Plan III Government development expenditure for the proj described in this Chapter amounts to Shs. 173·7 million, and is summari below by major programmes.

Table XVI—1. Water: Government Development Expenditure*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priori Allocat
			Shs. m.	*Shs.*
	WATER RESEARCH PROGRAMME		11·3	9·5
16–1	Hydrometeorological Survey of Lakes Victoria, Kyoga and Albert	MMWR	3·0	3·0
16–2	Equipment for River Basin Surveys ..	MMWR	1·8	1·0
16–3	Irrigation Engineering Services	MMWR	1·0	0·5
16–4	Investigations of Karamoja Sand Rivers ..	MMWR	4·5	4·5
16–5	Hydrological Investigations and Research Equipment	MMWR	1·0	0·5
	RURAL WATER SUPPLIES PROGRAMME ..		68·9	66·8
16–6	Bunyaruguru and Paidha Water Schemes ..	MMWR	0·4	0·4
16–7	Lake Nakivale Water Supply—Phase I ..	MCCD	4·0	4·0
16–8	Lake Nakivale Water Supply—Phase II ..	MMWR	4·1	2·0
16–9	Other Rural Piped Water Supplies ..	MMWR	4·0	4·0
16–10	Borehole Construction Equipment ..	MMWR	7·0	7·0
16–11	Borehole Construction Operating Costs ..	MMWR	37·4	37·4
16–12	Maintenance of Boreholes	MMWR	10·0	10·0
16–13	Borehole Drilling Division—Transfer of Headquarters	MMWR	2·0	2·0
	URBAN WATER SUPPLY AND SEWAGE DISPOSAL PROGRAMME		93·5	83·5
16–14	Contribution to N.W.B.	MFP	93·5	83·5

* The relationship between the bank and high priority allocation to each project is described Chapter Eight (paragraphs 8.7–8.10). The system of code numbering associated with e project is explained in Appendix I.

† MFP = Ministry of Finance and Planning.

MMWR = Ministry of Mineral and Water Resources.

MCCD Ministry of Culture and Community Development.

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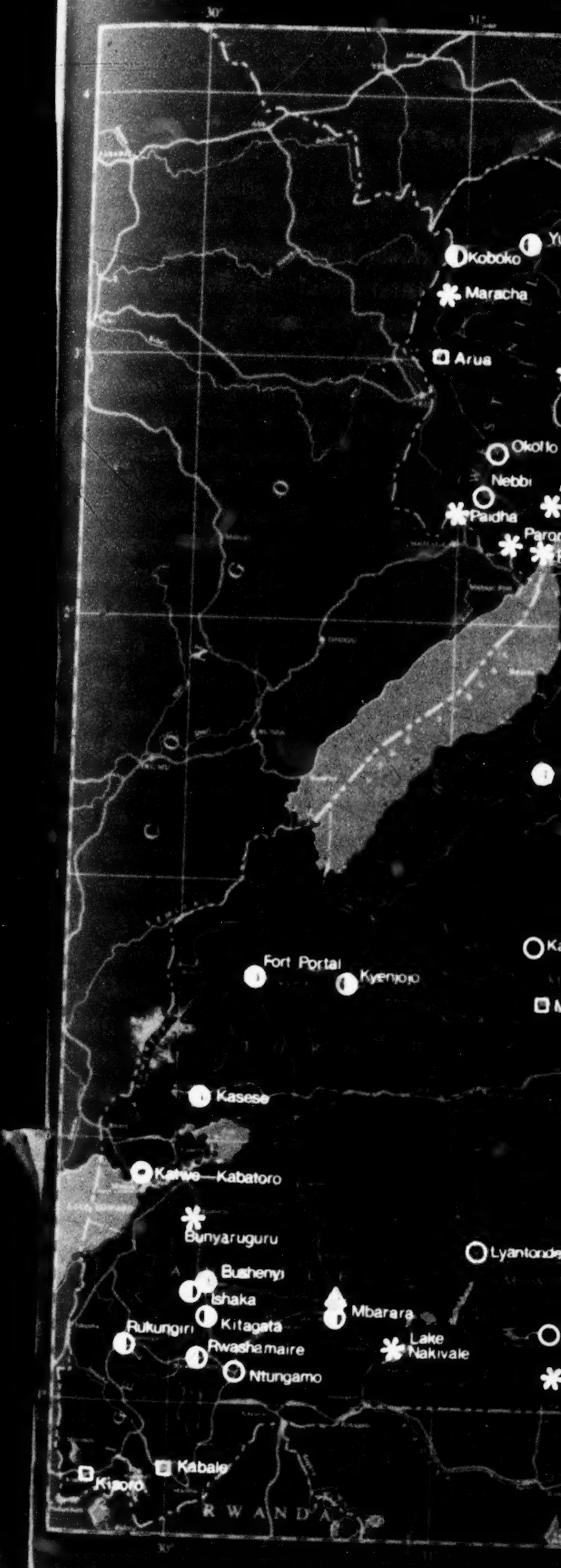
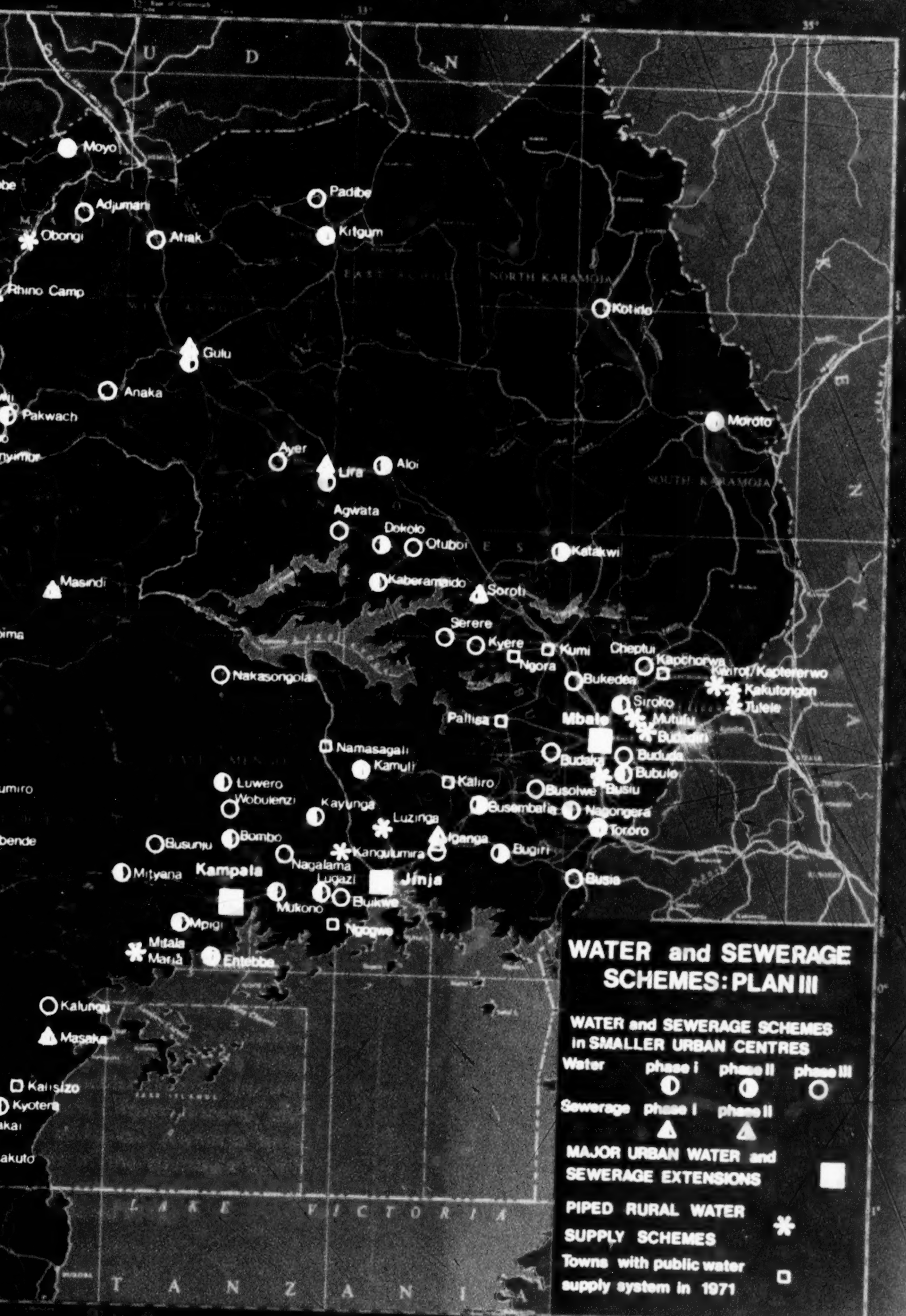

30°
31°
Koboko
Maracha
Arua
Okollo
Nebbi
Paidha
Fort Portal
Kyenjojo
Kasese
Katwe—Kabatoro
Bunyaruguru
Bushenyi
Ishaka
Kitagata
Mbarara
Rukungiri
Rwashamaire
Ntungamo
Lake Nakivale
Lyantonde
Kabale
Kisoro
RWANDA
30°

WATER and SEWERAGE

MAP E



S U D A N
Moyo
Adjumani
Obongi
Atiak
Padibe
Kitgum
Rhino Camp
EAST ACHOLI
NORTH KARAMOJA
Kotido
Gulu
Anaka
Pakwach
Moroto
SOUTH KARAMOJA
Ayer
Lira
Aloi
Agwata
Dokolo
Otuboi
Katakwi
Kaberamaido
Soroti
Masindi
Serere
Kyere
Kumi
Ngora
Cheptui
Kapchorwa
Kwirot/Kapterenwo
Kakutongon
Tulele
Nakasongola
Bukedea
Siroko
Mutufu
Budadiri
Pallisa
Mbale
Namasagali
Kamuli
Budaka
Bududa
Bubulo
Busiu
Kaliro
Busolwe
Luwero
Wobulenzi
Kayunga
Busembatia
Nagongera
Tororo
Luzinga
Iganga
Bugiri
Busunju
Bombo
Kangulumira
Nagalama
Mityana
Kampala
Lugazi
Jinja
Busia
Mukono
Buikwe
Mpigi
Ngogwe
Mitala Maria
Entebbe
Kalungu
Masaka
Kalisizo
Kyotera
L A K E   V I C T O R I A
T A N Z A N I A
K E N Y A
WATER and SEWERAGE SCHEMES: PLAN III
WATER and SEWERAGE SCHEMES in SMALLER URBAN CENTRES
Water phase I ◐ phase II ◑ phase III ○
Sewerage phase I △ phase II △
MAJOR URBAN WATER and SEWERAGE EXTENSIONS ■
PIPED RURAL WATER SUPPLY SCHEMES *
Towns with public water supply system in 1971 □
33°
34°
35°

Chapter Seventeen

HEALTH SERVICES

17.1 The fundamental justification for the continued development of health services has already been stated in the "Development Manifesto". The specific objectives of government action in this area are: to drastically reduce any individual's chances of falling sick, to bring the elementary facilities for treatment and other medical care within easy access of every member of the community, and to bring about a marked and continual improvement in the general level of health of the population.

17.2 At the outset of Plan III, Uganda enjoys a level of health services far superior to many other developing countries. With a total of well over 400 health units (ranging from rural sub-dispensaries to large reference hospitals) dispersed all over the country, there is some form of medical centre within a reasonable distance of every household, and the records show that a rapidly increasing number of people do actually make use of these facilities. The basic health services are provided free to all. A number of once major health scourges such as small-pox, sleeping sickness, meningitis and certain venereal diseases have been reduced to only occasional incidence; while others such as tuberculosis, poliomyelitis, river blindness and leprosy are under control. The preliminary analysis of the 1969 Census reveals that the infant mortality rate may have fallen by as much as 25 to 30 per cent between 1959 and 1969. Although as the overall infant mortality stands in the neighbourhood of 120 per thousand live births, in certain areas this rate is now reduced below 100. The Census also reveals that overall life expectancy at birth is now appreciably higher than 40 years, and is as high as 46 years in some regions of the country. Although precise quantitative comparisons are hard to make, these indicators point to considerably improved health conditions compared to those of a decade or so ago.

17.3 In spite of this impressive record, it is quite evident that there is a long way to go before Uganda can claim to have a truly healthy population. The community is still beriddled by a host of diseases, the main ones being respiratory diseases, alimentary diseases, skin and muscular-skeletal diseases, diseases of the nervous system and sense organs, genito-urinary diseases, and general infectious and parasite diseases. Substantial additional resources must therefore continue to be devoted to the improvement of the country's health services. During Plan III, the development of these services will consist of further consolidation and expansion of what has been achieved so far.

I. The Scope of the Health Services

17.4. In recent years, stated policy has been to emphasise the de of preventive health services relatively to the curative ones. Alth relative emphasis is retained in the strategy for the future, Plan recognises the inherent inter-relationships between the two types services. There is also the practical fact that most health facilities and are necessarily commonly provided for both types of services. T policies and projects of the Plan are therefore designed to add ambitious total effort in all aspects of the health services, both p and curative—health education, maternal and child health, environmen tion, occupational health, communicable disease control, medical rehabilitation.

A. *Health Education*

17.5 Health education work will be stepped up greatly over the p of activity. Emphasis will continue to be on the rural areas, where for the service is at present greatest, and on schools, where its be most likely to be passed on to future generations. While village-level (through public health nursing, health visiting, lectures and demon will remain the principal channel for propagating proper health educational institutions will play an increasing role. Health educa permeate all government health services, and all medical and al sonnel will be expected to be adequately grounded in the princi practices of health education as applied to their day-to-day work. I care will also be taken to ensure that even non-medical extension in rural areas do command a sufficient knowledge of health educ enable them to assist in the health promotion campaign. The Distric Education Committees will continue their important role in plann service at the local level, and Government will extend financial ar assistance to them. During Plan III, a Health Education Centre wi up as an integral unit of the headquarters of the Ministry of Heal centre will co-ordinate the entire health education programme and will relevant training facilities for medical and non-medical personnel from institutions. The estimated cost of setting up the centre, together with facilities at those district hospitals where such facilities are at present is Shs. 2·8 million.

B. *Maternal and Child Health Services*

17.6 The health of today's children and women of child-bearing a principal determinant of the overall state of health of the country's population, and it is therefore imperative that special attention is the health problems specific to this group which, moreover, constitute 60 per cent of Uganda's total population. The objective here is t about a significant reduction in the infant and maternal death rates ensure that children grow up in a healthy manner. For the futur intended to build up on the wide experience already gained in this

Uganda. Not only will the network of units providing maternal and c
health services be enlarged, but also the scope of the service will be expan
to provide comprehensive family health care at all levels.

17.7 Domiciliary midwifery care, which is already an established servic
Kampala, is to be extended to Entebbe and Jinja and, as the staff posi
improves, to other towns in the country. Advisory work on family plann
for which public demand is growing rapidly, falls within the broad coverag
maternal and child health services. The strictly medical justification for a fa
planning service is well known. In addition, however, there are the g
socio-economic problems raised by a rapidly growing population such
Uganda's. These problems, as well as Government's population policy in gen
are discussed in Chapter Five.

17.8 The Ministry of Health is to take over administrative responsib
for the Nutrition and Rehabilitation Unit at Mulago. Similar units are
be established at three regional centres during Plan III. Total developm
expenditure on this is estimated at about Shs. 500,000. In the longer ru
is intended to set up a full-fledged Maternal and Child Health Institute w
will serve as the national centre for preventive, teaching and research wor
this field.

C. *Environmental Sanitation*

17.9 In Uganda, environmental sanitation is largely confined to ma
relating to housing, food hygiene, water supply, and sewage and refuse
posal—these being the areas where the most pressing problems are encounte
The main Plan III proposals regarding housing, water supply, and urban sev
and refuse disposal are to be found in Chapters Sixteen and Nineteen.
the matter of food hygiene, the Government intends to widen the cove
and to ensure more vigorous enforcement of the meat inspection laws an
the minimal standard requirements for food markets and butcher sh
Consideration is also being given to the promulgation of a comprehensive
of Food Hygiene Regulations covering such matters as the use of colou
substances, additives and preservatives. In addition, there will be a bi
drive to increase the utilisation of rain water for drinking purposes. The an
home improvement competitions are to be continued on a regular basis,
special emphasis on the propagation of the use of pit latrines in the rural a

D. *Communicable Disease Control*

17.10 Communicable diseases, many of which are known to be controlla
still claim a heavy toll of lives in Uganda, and are responsible for the morbi
of a large section of the country's population. In the past, aggressive meas
have been taken to eradicate or control a number of these diseases. Nat
wide immunisation programmes are already in force against whooping co
tetanus, diphtheria, tuberculosis, small-pox and anterior poliomyelitis. Lim
immunisation campaigns have also been launched against measles. In all th
considerable success has been achieved, thanks, in large measures, to
enthusiastic response of the people. The various programmes will be contin

with increased vigour, and a new national vaccination campaign against l is to be mounted. The campaign against trachoma, which the Uganda Fo tion for the Blind initiated in Busoga and Bukedi during the Second Five Development Plan, is to be taken over by the Ministry of Health and ext to all areas of the country affected by this disease. In respect of the tuberc and small-pox eradication programmes, Uganda will contribute, on develop account, about Shs. 500,000 per annum until 1973/74, a proportion of expenditure being reimbursable by WHO.

17.11 For some years now, onchocerciasis (river blindness) has been bro under firm control in the Jinja and Budongo areas. In these particular future control work will consist largely of consolidation and continual vigi New surveys and control measures are now to be carried out in the M Elgon area, and in the West Nile, Toro and Kigezi districts.

17.12 By far the largest proportion of vector control funds has, in the been spent on surveillance and control measures with respect to slee sickness in south Busoga and Bukedi. These measures have been suffi to prevent any outbreak of epidemics, but it is clear that they cannot resu total elimination of the disease. Depending on plans being worked out for development of the areas involved, a new approach to the problem is t adopted. This may entail the total eradication of the tsetse fly by bush clea or the reservation of part of the areas for economic uses compatible with ts fly infestation.

17.13 It is not considered practicable to eradicate bilharzia with curre available techniques. Pending final tests on a number of new molluscic (some of which are based on local plants) preventive work on this disease consist mainly of controlling new foci and preventing a build-up of the dis in areas where it already exists. Research is continuing into ways of rende limited shoreline areas of Lake Victoria safe for habitation and tourism. I control work is at the same time being undertaken in the West Nile Dist where the incidence of the disease is highest.

17.14 Apart from tsetse control work outside south Busoga and Bukedi the vector control programmes mentioned above are organised by the Ve Control Division (VCD) of the Ministry of Health. The Division also prov continual advisory services to local authorities on the control of comm vectors. Two important requirements for efficient vector control work are decentralisation of operations and the maintenance of a high degree of mobi for the staff involved. It is, therefore, planned to set up vector control u at Mbale and Gulu in addition to the present ones at Fort Portal and Kamp There will thus be one fully equipped and staffed unit in every region of country. The headquarters of the VCD will itself be expanded to provide m office space and laboratory facilities. Additional vehicles will also be provic for the division. The total capital cost of all these facilities during Plan is estimated at Shs. 200,000.

17.15 Outside the activities of the VCD and the Tsetse Control Divisi the most important vector control operation is the WHO-supported Mala Pre-Eradication Scheme, which has been under way for many years no

On the basis of experience gained from the project, it is now considere that the best approach to malaria eradication is to expand and strengthe the entire basic health services infrastructure. Before the eventual full integration of malaria eradication work into the network of government health service the Government will continue to make its contribution of Shs. 340,000 pe annum to the present project.

E. *Occupational Health*

17.16 In Uganda, occupational health services are administered principall by the Occupational Health and Hygiene Section of the Ministry of Labou The planned development of the activities of the Section is discussed i Chapter Six. In addition to these activities, occupational health services cove the provision of health services by employers to their employees. It is gratifyin to note that a number of employers already provide medical facilities in exces of the simple first-aid kits. There are at present five fully equipped and staffe industrial hospitals in the country, and several hundred employers' dispensaries c varying sizes. Most employers, however, have generally concentrated on th provision of curative medical services. In the future, efforts will be intensifie to draw the attention of employers more and more to the preventive aspect

F. *Medical Care*

17.17 For a long time, out-patient and in-patient medical care in Ugand has been provided on an increasing scale by Government and other organisations. It is indeed quite true to say that, contrary to stated policy, this particula health service has in the past commanded greater attention than any othe and that the network of health facilities in the country has been largel geared to the provision of medical treatment. However, although there migh have been some over-emphasis on curative health services in the past, relatively t other health services, considerable further development in this service is envisage in the future, since it present coverage and content still falls below wha is considered an adequate level of medical care. As far as Government concerned, the proposed development entails mainly the expansion of th capacity of the network of facilities and improving the qualitative aspec of the service offered. Government will also continue to give assistanc to other organisations engaged in the provision of medical care, especiall the church missions. Details of specific Government proposals are given i Section III of this chapter. Government's great concern that medical car services become available to a fast increasing number of people and it conviction that access to such services should be determined primarily o the basis of need are reflected in the decision taken to retain the presen policy of providing these services (like all other health services) free to al

17.18 While curative health services are a high social priority in thei own right, they are also of considerable preventive value. It is, for instanc obvious that the early diagnosis and treatment of cases of communicabl diseases limits the spread of such diseases. In the future, greater effor will be made to enhance and propagate the preventive benefits of prope medical care.

G. *Rehabilitation*

17.19 Even after the best treatment has been given, there is always a small category of patients who end up with such disability that they need to be trained in a pattern of life and work quite different from what they are used to, but which is better suited to their changed faculties. In Uganda, social and occupational rehabilitation work is at present mainly undertaken by the Ministry of Culture and Community Development and the Plan III proposals regarding this work are given in Chapter Twenty. Medical rehabilitation is the responsibility of the Ministry of Health, and at present this is provided as an integral aspect of medical care services. Voluntary organisations again play a very important role in all types of rehabilitation work.

II. Certain Aspects of the Administration of Health Services

17.20 At present there is a variety of agencies running health services in the country—the Government, the local authorities (urban and rural), church missions, charitable (voluntary) organisations, other private institutions and private individuals and partnerships. While the activities of all the non-government agencies have been of great benefit to the community and have provided tremendous support to Government's own efforts, the existence of a large number of operators in this field does create problems of co-ordination.

17.21 The Government is devising appropriate new steps to ensure that all agencies involved provide and develop their services with much more close reference to the agreed national objectives and priorities, and with the least possible mutual duplication or conflict. Already, expansion plans for mission medical services do require specific approval by the Ministry of Health. Recent legislation provides for the regulation of the pharmaceutical profession and trade in a more effective way. On the whole, however, the existing framework for co-ordination is rudimentary and needs strengthening, particularly with regard to the activities of non-mission private operators.

17.22 The most difficult problems of co-ordination have arisen in connection with the health activities of local authorities. In the past, each local authority developed its health service without any regard to the activities of other local authorities. This is partly responsible for the maldistribution of health facilities in rural areas. Also, there has been very inadequate co-ordination between the activities of the local authorities, on one hand, and those of the Government, on the other. This has created problems especially in relation to the provision (by Government) of staff for local authorities' health establishments. With a view to alleviating these problems, it has been decided to transfer the responsibility for setting up and administering health centres and all other rural medical units completely away from district administrations to the Ministry of Health. This will result in a better integrated public health service and will make it possible for the rural medical units to be run much more efficiently and uniformly throughout the country. The district administrations will thus cease to have any direct responsibilities in the field of health. The municipalities and the City of Kampala, on the other hand, will continue to operate dispensaries and other units within their respective boundaries. The special situation of these particular urban authorities makes this a viable arrangement, although the supervision and guidance of the Ministry of Health will be strengthened. It is anticipated that the net effect on government recurrent expenditure of the take-over of rural medical units will be neutral, as block grants to local authorities will no longer cover the operation of these units.

17.23 Within the Government sector, health services are primarily the responsibility of the Ministry of Health. A number of other Ministries, however, also have direct executive responsibilities over certain important health services, or engage in activities which have a direct bearing on the health of the community. It is true that the health activities of all these various Ministries have not always been planned and executed in a mutually co-ordinated fashion. The most important areas where effective inter-Ministerial co-ordination has been lacking are environmental sanitation, occupational health and rehabilitation. Measures are to be taken not only to enhance the extent of co-ordination among the Ministries in these areas, but also to re-assign responsibilities in a pattern that will be most conducive to efficiency.

17.24 The efficient administration and planning of health services in Uganda is at present hampered by the absence of a properly organised machinery for the collection and collation of health statistics. There is thus rather less than the desired amount of factual knowledge regarding such vital matters as the exact incidence of various diseases and the effectiveness and efficiency of the health services. During Plan III, the present small statistical section of the Ministry of Health will be expanded into a true epidemiological unit staffed with personnel properly trained in this specialised discipline. Special medical records officers are to be appointed at all major hospitals to ensure a proper flow of accurate data from the hospitals. At health centres, simple but comprehensive records will be prepared by the normal auxiliary and para-medical staff of the centres. The training of such staff will, therefore, include the elements of medical statistical compilation and interpretation. Private nursing homes and private medical practitioners will, in the future, be required to submit regular returns to the epidemiological unit of the Ministry of Health. Once the preparation of health data has been organised on a sound basis it is intended to set up a full-fledged planning unit in the Ministry of Health. The proposed functions of such a unit have been indicated in Chapter Nine.

III. Health Infrastructural Facilities

17.25 As stated earlier, much has already been achieved in the development of a network of facilities for the delivery of health services. It is recognised, however, that in several respects the existing network is not operating to required standards, due to three main factors:

first, the very inadequate present staffing position;

secondly, the unsatisfactory condition of many of the physical facilities at existing medical units; and

thirdly, the absence of a number of essential links in the present network.

Hence, the health development programme of Plan III, is, in the first place, a programme to consolidate existing facilities. The problems and proposals relating to staffing are discussed in Section IV of this chapter. No amount of consolidation, however, could render the existing network of health facilities adequate for the true needs of Uganda. The ultimate objectives of health development require considerable expansion of the network itself. This is especially true if any appreciable impact is to be made on the state of health services in rural areas.

17.26 One objective, though admittedly partial, indicator of the volume of health services being provided, is the number of hospital beds available in relation to the total population of the country. At the beginning of the Second Five-Year Development Plan, the total number of hospital beds in the country was about 12,000, of which 5,200 were in 25 government hospitals and the rest in mission medical establishments, local authorities' dispensaries and private nursing homes. This represented an overall bed/population ratio of about 1·4 per 1,000. By the end of 1971, after the completion of the second phase of the Rural Hospital Programme, there will be about 16,400 beds in the country. In Government hospitals alone, the number of beds will have grown to 7,869. Although it has not been possible to achieve the Second Five-Year Development Plan target of an additional 3,550 beds* in Government hospitals, and in spite of the unexpectedly rapid growth in population which was revealed by the 1969 census, the overall bed/population ratio is expected to rise to 1·6 by the end of 1971, which is quite high compared with many other countries at levels of development similar to Uganda's.

17.27 In designing the development of health facilities during Plan III, great care has been taken to ensure that over the five-year period the bed/population ratio does not fall below its present level. Indeed, the full implementation of the programmes described in the following paragraphs of this section would be enough to maintain the present ratio, even without any net increase in the number of hospital beds in non-government institutions over the period. Further, special effort will be made to increase bed availability in the rural areas and, generally, to bring about a more even geographical distribution of hospital beds in relation to population. It is important to note that the additional beds to be provided at many of the "district" and "urban" hospitals are essentially for use by rural communities. In all, it is intended to increase the total number of beds in government medical establishments by about 3,400 over the Plan III period. This would be an important step towards the perspective target of 2 beds per 1,000 people by the beginning of the next decade. The present distribution of hospitals, and the planned development of hospital beds is shown in Map F.

A. *Government Rural Health Facilities*

17.28 The rural hospital programme initiated during the Second Five-Year Development Plan represents the most ambitious single venture in health development since Independence. Although a number of technical problems have attended the execution of this programme, the first phase was completed on schedule. The eleven hospitals falling within this phase are located at Kambuga, Kagadi, Bundibugyo, Kitagata, Iganga, Pallisa, Bududa, Atutur, Apac, Yumbe and Kawolo. The second phase, comprising twelve hospitals at Anaka, Moyo, Kayunga, Labwor, Bugiri, Nakaseko, Kiboga, Gombe, Nebbi, Itojo, Busolwe and Kiryandongo, is due for completion by the end of 1971. Despite difficulties being experienced in staffing the completed hospitals to adequate strength, it is already clear that the hospitals have lifted the state of Uganda's health services, both curative and preventive, to an entirely new plane. The large number of attendances at the rural hospitals so far completed confirms that there always was a genuine need for this type of facility. A total of 2,300 hospital beds is to be provided under both phases of the programme.

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* Original target had been 3,830 beds but this was later revised down to 3,550.

17.29 Although defects in the planning of the rural hospital programme have resulted in an unbalanced geographical distribution of health facilities which will need to be corrected, it is not considered that any additional rural hospitals are called for during Plan III. Before any further significant expansion at this level, action will be taken to enable the present hospitals to function optimally. This action will involve the provision of additional staff and equipment, and the setting up of effective links between these hospitals and the other elements in the national network of health facilities. However, a small portion of the work on the second phase of the rural hospital programme falls within the Plan III period. Allowance is also made in Plan III for small additional amenities to be provided at the eleven hospitals constructed during the first phase of the programme. The total cost of all these carry-over works is estimated at Shs. 13·7 million. In future, Namasagali Hospital is to be regarded as a rural hospital for administrative purposes, and the number of beds there will eventually be increased to 100 to conform to the standard capacity of a rural hospital.

17.30 The main vehicle for the delivery of preventive and curative health services in the rural areas will be the rural health centres. The original Second Five-Year Development Plan target was to set up 327 new rural health centres fully equipped and provided with ambulances. The target was subsequently revised down to 36 new rural health centres in addition to the up-grading of many of the other rural health units to health centre status. In the event, over 100 additional ambulances were provided for rural use but no progress was made with the erection of rural health centres during the entire period of the Second Five-Year Development Plan.

17.31 The ultimate goal is to have a rural health centre in each of the 614 gombololas in the country. In the past the term "health centre" has not been applied consistently, with the result that there now exists some uncertainty as to the actual number of such centres in the country. For future planning, the term "health centre" is to be confined to units conforming to the standard facilities specified in the following paragraph, and carrying out the full range of functions described there. At present, there are about 50 units which approximate these conditions, of which six are in Kampala, Jinja and Mbale. During Plan III, it is planned to erect an additional 72 rural health centres in gombololas other than those which already have one.

In other areas existing rural dispensary/maternity units will be up-graded where this does not involve extensive modification work and where the site of the existing dispensary/maternity unit is deemed suitable for a health centre.

17.32 Each rural health centre is to constitute a focus of all the aspects of the basic health service. Apart from providing individual in-patient and out-patient medical treatment of an elementary nature, the health centre is intended to regard the community it serves as its "patient". Thus, its staff are expected to work as much in the field as at the centre itself; diagnosing, detecting and combating health problems, and carrying out preventive work in the community. The rural health centres will not only receive patients referred from the smaller rural medical units, but they will also be increasingly expected to provide domiciliary supervision for patients referred from large hospitals. Each rural health centre will have the following standard facilities:

a total of 20–30 general and maternity hospital beds;

an out-patient clinic;

a public lecture hall for health education purposes;

a store/laboratory building; and

housing for all the centre's staff.

In addition, each health centre will be provided with an ambulance. The total capital expenditure on the rural health centre programme during Plan III will be Shs. 56·2 million.

17.33 During the Second Five-Year Development Plan, local authorities built over fifty new dispensaries, sub-dispensaries and other rural medical units. It has already been mentioned that the operation of all units of this kind is to be taken over by the Ministry of Health, for the sake of improving efficiency. No new such units are envisaged to be set up during Plan III, as effort in the rural areas is to be concentrated on the expansion of the rural health centre network.

B. *Government Hospitals in Urban Areas*

17.34 The need to expand and modernise government hospital facilities in urban areas has been felt for a number of years. During the Second Five-Year Development Plan, this was accepted as a high-priority programme whose execution, however, was held back due to the relatively higher priority attached to rural hospitals. The non-implementation of most of the planned expansion and modernisation of urban hospitals has had harmful implications for the volume and quality of health services available to the community, as present facilities at these hospitals are now strained to the very limit. It has accounted for the failure to achieve the hospital-bed target of the Second Five-Year Development Plan, and it has prevented an adequate spread of specialised treatment facilities to centres other than the main urban areas. With the exception of the provision of an emergency electricity supply system at Mulago, the re-opening of Old Mulago Hospital, and the setting up of a number of specialised units at Mulago, the only capital development in respect of urban hospitals was confined to minor alterations and works which had been under way at the beginning of the Second Five-Year Development Plan. In Plan III, the consolidation of urban hospitals is accorded the highest priority, in view of the rapidly deteriorating physical facilities at these hospitals and the key position they occupy in the national health services network.

17.35 Mulago Hospital is primarily intended to serve as the national reference hospital and as the teaching hospital for Makerere University. However, in several respects, the hospital is failing to carry out its main functions properly. Statistics reveal that the hospital is, in fact, serving predominantly as a district hospital. Of all admissions to Mulago, about 90 per cent come from Kampala and the districts of East and West Buganda. This is because of the absence of any other major hospital in these heavily populated areas. Another encumbering factor on Mulago is the overwhelming over-crowding being experienced by all departments at the hospital. In some of the departments actual admissions are currently running at about five times the planned capacity. Inevitably, therefore, Mulago is increasingly functioning as an emergency hospital, confining its attention largely to life-threatening conditions. For these reasons, the standard of medical care has tended to fall below what is expected of a hospital of Mulago's standing. Equally serious, the teaching offered at the hospital is suffering in both balance and depth.

17.36 In order to alleviate the critical situation at Mulago, and, at the same time, provide badly-needed additional medical care facilities in Kampala and the surrounding areas of East and West Buganda districts, a new 600-bed hospital is to be built within the boundaries of the city. The new hospital is designed to take over the heavy emergency and district responsibilities which are shouldered by Mulago at present. In addition, however, limited reference facilities and the necessary specialist consultant staff will be provided to enable the new hospital to be used also for teaching purposes in close liaison with Mulago. In the allocation of facilities at the new hospital, emphasis will be laid on paediatrics, obstetrics and gynaecology, traumatic surgery, and orthopaedics. The hospital will also accommodate special VD clinics not only for direct curative work but also for the training of staff to run similar clinics at other hospitals. The total cost of the new Kampala Hospital is estimated at Shs. 50 million.

17.37 At Mulago Hospital itself, several new specialised units are to be provided. The setting up of the first phase of a full radiotherapy unit is to be undertaken during Plan III at a capital cost of Shs. 3·2 million. In addition, over Shs. 200,000 is provided for the establishment of a haemodialysis unit at Mulago. At a later date, possibly during the next plan period, it is intended to establish an orthopaedic institute at the hospital. During Plan III, the Government is to take over full responsibility for the financing and administration of the Uganda Cancer Institute and the Cardiology Unit (both at Mulago) which have, up to now, been financially supported from overseas. These and all the other specialist treatment units at Mulago will be provided with the necessary additional equipment to enable them to function more efficiently. Shs. 1·6 million is provided for this during Plan III.

17.38 At present, there is a hospital at the headquarters of every district, except West Buganda and North Karamoja. These hospitals are meant to serve as "district hospitals"—i.e. as the main medical centres in their respective districts, offering reference facilities *vis-a-vis* the rural and mission hospitals and providing all the necessary basic health services to the population in their immediate vicinities. Some of these hospitals are of a higher grade than the others in that they have facilities for specialist treatment in a number of clinical disciplines and thus serve as truly reference hospitals on a regional basis. In some districts, there are other hospitals located in urban centres which are not district headquarters. These latter (at Entebbe, Masindi, Mityana) are all long-established hospitals where present capacities and range of facilities compare with those of true district hospitals. The other urban government hospitals in the country are the Butabika Psychiatric Hospital, and the various prison and military hospitals.

17.39 The planned development of these urban hospitals involves, in part, an expansion of bed capacity. It is intended, eventually, to standardise the number of beds at district hospitals at around 300 each. Thus, at most of the existing district hospitals, additional beds are needed to bring total capacity at each of them to the required standard. For various reasons, however, Mubende is not ideally situated as a location for a district hospital, and the proposed capacity of the hospital in that town is therefore only 200 beds. Similarly, the population of Madi, Sebei and East Acholi do not *yet* warrant full-scale 300-bed hospitals in these districts. The newly-built 100-bed hospital at Moyo is deemed adequate for the present and immediate future needs of Madi District, especially as some of the facilities at the Old Moyo Hospital will continue to be usable for some time. At Kapchorwa and Kitgum hospitals, it is reckoned that bed capacities of 100 and 200, respectively, would properly cater for the present requirements of Sebei and East Acholi districts. Before a full-fledged district hospital is provided for North Karamoja, the new rural hospital at Labwor will provide the necessary district service. Similarly, it is considered that the new Kampala Hospital, in addition to the hospitals at Entebbe and Gombe, will postpone the need for a special district hospital in West Buganda to future plan periods. The bed capacity at Entebbe and Mityana hospitals will be increased to 200 at each place, and at Masindi Hospital to 100.

17.40 In order to make specialist treatment services available to a much larger number of people than is the case at present, the Government plans to develop the six hospitals at Jinja, Mbale, Gulu, Masaka, Fort Portal and Mbarara gradually into full-scale reference hospitals with 600 beds each. The development to be undertaken at these hospitals during Plan III is therefore to be regarded as a first step towards this eventual goal. The hospitals will continue to serve as district hospitals even after they have been developed to full reference status.

17.41 In addition to the expansion of bed capacity, the planned consolidation of existing urban hospitals will entail the provision of improved or additional ancillary amenities (laboratories, kitchens, laundries, security fencing, stores, etc.), special treatment facilities (X-ray units, dental units, operation theatres, out-patient departments, paying patient facilities, etc.) and staff housing at those hospitals where these facilities are either non-existent or inadequate. For Butabika Psychiatric Hospital in particular, planned development envisages the building of a paying patients ward and a social hall, as well as the setting up of an agricultural and dairy farm for rehabilitation purposes.

17.42 During Plan III, Shs. 70 million is provided for the development of urban hospitals outside Kampala. The allocation of this total among the different hospitals reflects partly the varying conditions of existing facilities at the hospitals, and hence the urgency with which development must be undertaken. In addition, priority attention is to be given to those hospitals which serve as training centres for health staff. At a few of the hospitals it will be possible to provide additional capacity through relatively minor alterations to existing physical facilities. In general, however, new wards and other structures will need to be erected. All major physical work to be carried out during Plan III is specifically designed as an initial phase of a *long-term* plan to set up entirely new hospitals at the urban hospitals in question. While in some cases the new development will be undertaken on the present sites of the hospitals, in others completely new sites are to be selected. In every case the provision of new facilities will be closely harmonised with the continuing use of some of the old ones in such a way that all the time total capacity grows towards the desired optimum level for the particular hospital.

17.43 The hospital bed figures mentioned in paragraphs 17.39 and 17.40 are not for achievement during the Plan III period. They represent standards to be attained over the longer term. It is estimated that, during Plan III, the total number of beds at all Government urban hospitals outside Kampala will grow by about 1,000.

C. *Drug Supplies, Equipment and Miscellaneous Improvements to Government Health Facilities*

17.44 Over the years, Government has spent increasing amounts of money on the provision of drugs and stores to its medical establishments. The annual expenditure on these items has risen from Shs. 7 million in 1965/66 to about Shs. 20 million at the end of the Second Five-Year Development Plan. It can be reasonably expected that the level of expenditure will continue to rise sharply in the future in view of the growing population, the reducing importance of traditional medicine, the expanding range of health services being made available, the increasing insistence of the people on continuous good health, and rising prices. Unfortunately, there have been a number of problems encountered in the supply of drugs which have prevented the community from enjoying the full benefits from the huge government expenditure on this item. The most important problems have been staff shortages, inadequate storage space, shipment delays, transport difficulties and embezzlement.

17.45 The Government is taking determined action to reduce to the very minimum the incidence of these problems and their effects on the availability of drugs to the public. In the first place, a new Medical Stores Department is to be set up in Kampala, at a cost of Shs. 4 million. The amount of stores has clearly outgrown the storage space available at the site of the present Medical Stores at Entebbe. Moreover, for efficient distribution, Kampala, rather than Entebbe, is the ideal location for the central stores department. It is also envisaged to set up medical stores in the regions, with a view to ensuring a quicker response to the demand of the hospitals and other health institutions. A total of Shs. 3 million is provided for this during Plan III. The staffing of the Medical Stores Department will also be strengthened. Increased freedom will be granted to hospitals in the larger towns to purchase drugs locally in special cases; and the possibility of air-lifting drug imports on a more regular basis is being investigated. Improved security arrangements will be a prominent feature at the proposed new Central Medical Stores Department and its regional branches. However, embezzlement will be combated mainly through the provision of more security and supervisory staff both at the medical stores and at the various medical establishments.

17.46 It is considered that Government can realise substantial savings in expenditure by increasing its domestic production of drugs in substitution for imports. For this reason, it is planned to expand the capacity of the present pharmaceutical plant of the Ministry of Health. Initially, capacity will be expanded in two main lines—the production of tablets and the production of injection solutions—and it will be effected through the installation of simple machinery to assist the operations which are at present carried out manually. The expansion of the plant is estimated to cost Shs. 600,000 during Plan III.

17.47 The problem of drug and stores transport is part of the wider problem of the transport facilities available to the entire health service. The transport requirements (some of which have already been mentioned) of the various special units of the health service must be catered for. In addition, of course, there is the very important matter of the ambulance service whose efficiency at a very high level is an indispensable condition for an effective health service. The immediate concern is to replace a section of the present fleet of vehicles which is considered unserviceable and adequate provision will be made for this in the annual recurrent allocations. A further provision of Shs. 1·3 million, on development account, is made for the purchase of additional vehicles during Plan III. Similarly, Shs. 5 million is allocated for replacing a considerable volume of other medical equipment which has gone well past its useful life. It is also intended to set up, at a cost of Shs. 1·6 million, a special central workshop in order to ensure more reliable maintenance services for medical vehicles and equipment.

17.48 A central laboratory will be built in Kampala to accommodate the Uganda Blood Transfusion Unit and the forensic and public health pathology services of Government and Shs. 800,000 is provided for this during Plan III.

17.49 Every year Government has to incur substantial capital expenditure in the way of alterations and/or major repairs to buildings at the various medical establishments in the country. The provision of Shs. 5 million made in Plan III for such works is in recognition of their inevitability if proper flexibility is to be retained in the planning and operation of health institutions.

D. *Mission Health Facilities*

17.50 The very important health services provided by church missions and other voluntary organisations have been stressed at several points in the preceding sections of this chapter. There are, at present, 27 hospitals and close to 70 dispensaries, sub-dispensaries, maternity units and other medical units operated by these bodies in all areas of the country. They provide a total of over 4,000 patient-beds in addition to the very large volume of out-patients, preventive and staff training work undertaken. Special mention also needs to be made of the leading role played by the missions in leprosy settlement work.

17.51 All these voluntary agencies have been operating their health services under considerable financial difficulties and, for a long time, they have not been able to effect any significant expansion in their network of health facilities. Indeed, the continued functioning of some of these facilities has, for a number of years, been highly uncertain, and the situation at present is such that closures will take place and/or service standards will drop drastically (or will be maintained at greatly increased charges to the user public) unless immediate remedial action is taken.

17.52 The Government considers it very important that none of this happens, as it would seriously impair the overall health service in the country, and it would reduce health services in certain areas of the country far below the acceptable minimum in comparison with other areas. For a long time, Government has been extending financial assistance to the missions in connection with their health work. As already noted, however, over recent years the Government has not been in a position to give more than just assistance for recurrent expenditure. In view of the present critical financial position of the missions, the Government will now resume capital grant assistance for mission health services, and Shs. 10 million is allowed for this in Plan III. The missions are expected to apply for specific allocations from this total. Recurrent grants will also continue at somewhat higher levels than in the past. No definite expansion plans have been prepared for the mission health services, and it is anticipated that Government assistance will go mainly for rehabilitating facilities and consolidating the services generally.

IV. Staff and Training

17.53 Perhaps the most urgent task in the entire field of health development is the proper staffing of the various health services. It is estimated that there is at present about one doctor for every 16,000 people in Uganda. Although this compares quite favourably with the situation in many other developing countries, it is still a far cry from ratios of one doctor per 1,000 or less people common in developed countries. Indeed, in rural areas of Uganda, there is one doctor for as many as 24,000 persons. The deficiencies in other health staff cadres are even more alarming, not only in relation to the true requirements of an adequate health service, but also in terms of actual vacancies in Government health services.

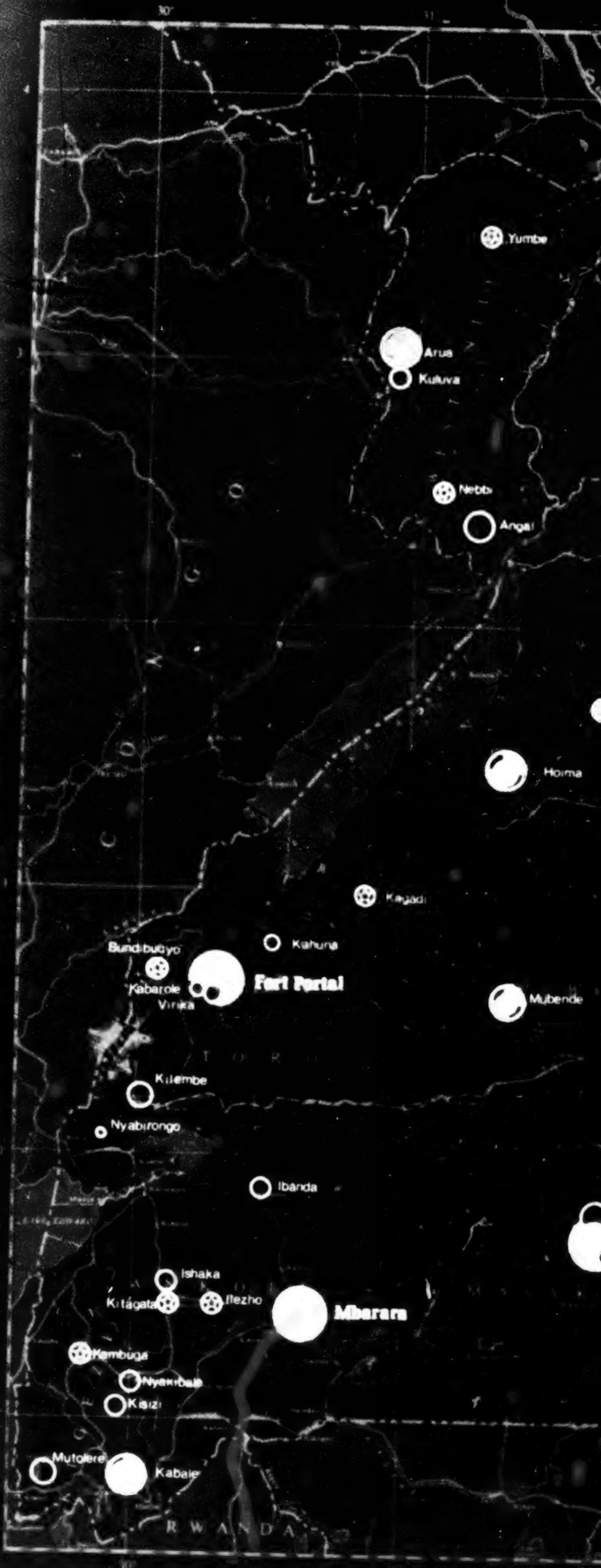
17.54 The shortages in health staff have been aggravated by the failure to attain the training targets of the Second Five-Year Development Plan. In spite of a number of new training centres that have been set up or are being set up in various places, large shortfalls (*vis-a-vis* Plan targets) have been experienced in the training of medical assistants, registered midwives, enrolled midwives and enrolled nurses. On the credit side, the Plan target regarding the training of registered nurses has been achieved. The training of midwifery tutors, radiographers and assistant health visitors has now been started i Uganda. A new school for public health dental assistants is nearing completion and the Government has continued its training of other para-medical an auxiliary health staff at a steady, though trickling, pace. Throughout the perio of the Second Five-Year Development Plan, mission health training schoo have produced about 140 enrolled nurses and enrolled midwives every year. Th generally below-target performance in health training by Government wa due mainly to the late availability of funds for capital development. Regardin some of the cadres, however, an almost equally important retarding factor ha been an acute shortage of tutors.

17.55 The shortfall in staff training during the Second Five-Year Develop ment Plan is more serious than is apparent from a comparison with target This is because the Plan targets are now known to have grossly understate true requirements. Even discounting those health infrastructure projects whic were not realised, the original training targets under-estimated addition staff requirements by as much as 90 per cent in certain cadres. The small amou of additional training that has actually been provided has therefore had virtua no impact on the staff situation in Government medical establishments.

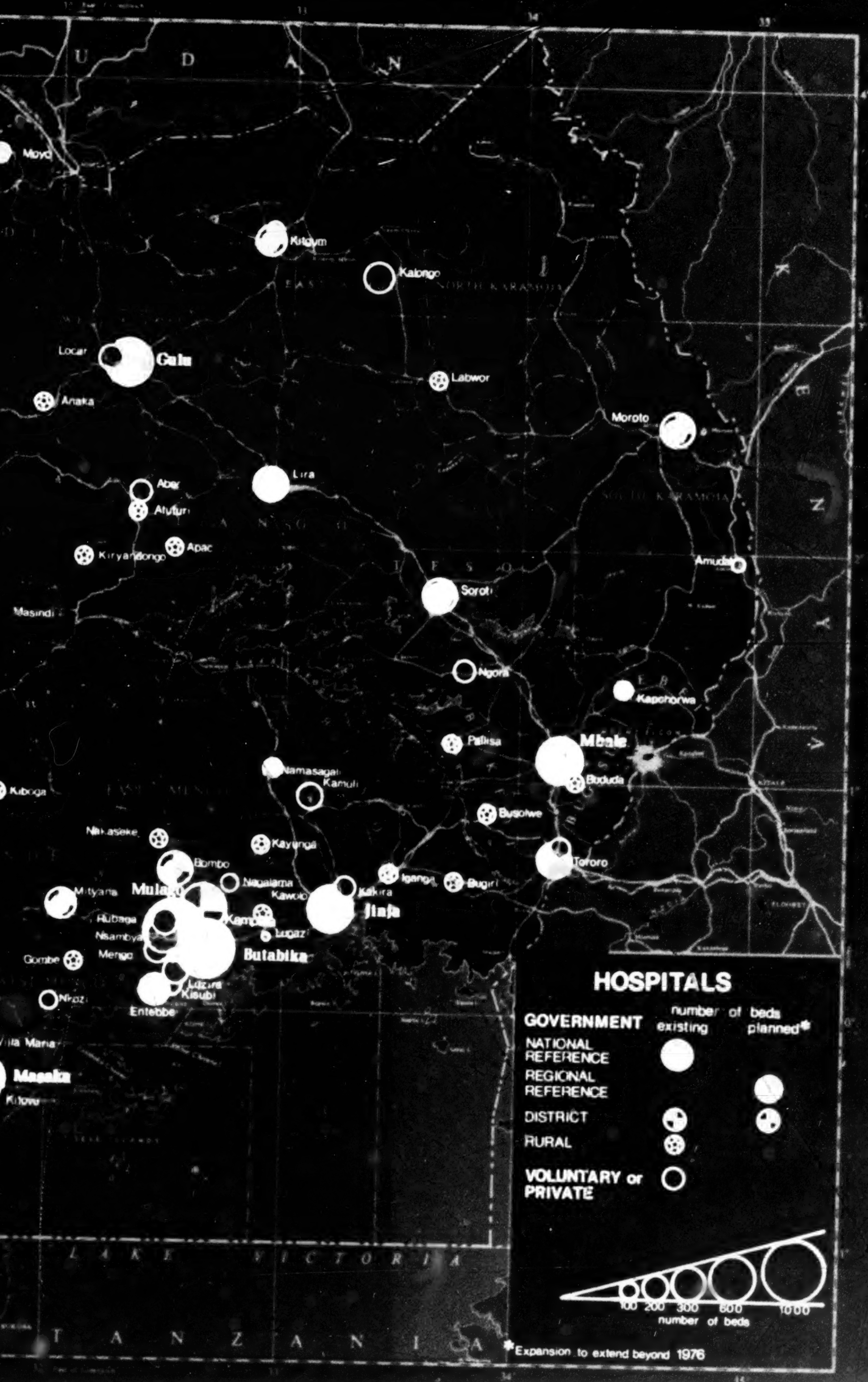
17.56 Due to the widespread shortages of staff, Uganda's health infrastructu is providing a volume and quality of service which is far below what physical facilities would permit. Thus, if the improvement of the countr health services calls for considerable expansion of physical facilities, it ca for an even greater effort in the training and recruitment of health staff all levels. Table XVII—1 gives some indication of the magnitude of the staffi problem.

17.57 The figures in Table XVII—1 relate to Government as well as no Government requirements and training, and thus purport to give a to picture regarding the cadres covered. The forecast requirements in 1976 based on a careful assessment of the staff needs of the different types of hea services and units, full account being taken of the planned expansion of Gove ment health services. Although some improvement in the staffing position non-Government health services is assumed, no expansion of these servi has been specifically taken into account in arriving at the 1976 requireme shown in the table.

17.58 The main conclusion which emerges from Table XVII—1 is t overall, existing health staff shortages will be perpetuated and even aggrava during Plan III unless urgent action is taken. The figures in the table indi that shortages may be as much as one-third of total requirements by 1976. part, Government will attack this problem through the recruitment of for


30°
31°
Yumbe
Arua
Kuluva
Nebbi
Angal
Hoima
Kagadi
Bundibugyo
Kahuna
Fort Portal
Kabarole
Virika
Mubende
TORO
Kilembe
Nyabirongo
Ibanda
Ishaka
Kitagata
Itezho
Mbarara
Kambuga
Nyakibale
Kisizi
Mutolere
Kabale
RWANDA
30°
31°

HOSPITAL DEVELOPMENT MAP F


SUDAN
KENYA
TANZANIA
LAKE VICTORIA
NORTH KARAMOJA
SOUTH KARAMOJA
TESO
LANGO
Moyo
Kitgum
Kalongo
Locar
Gulu
Anaka
Labwor
Moroto
Aber
Lira
Aduturi
Apac
Kiryandongo
Amudat
Masindi
Soroti
Ngora
Kapchorwa
Pallisa
Mbale
Bududa
Namasagali
Kamuli
Kiboga
Busolwe
Nakaseke
Kayunga
Bombo
Tororo
Nagalama
Kawolo
Iganga
Bugiri
Kakira
Mityana
Mulago
Rubaga
Kampala
Jinja
Nsambya
Lugazi
Mengo
Butabika
Gombe
Lubaga
Kisubi
Nkozi
Entebbe
Villa Maria
Masaka
Kitovu
HOSPITALS
GOVERNMENT
number of beds
existing
planned*
NATIONAL REFERENCE
REGIONAL REFERENCE
DISTRICT
RURAL
VOLUNTARY or PRIVATE
100
200
300
600
1000
number of beds
*Expansion to extend beyond 1976
32
33
34
35

personnel. There are, however, very definite limitations to this. Government's main line of action regarding staff will therefore be to expand, re-orient, and otherwise re-organise local training activities. The health training programme described in the following paragraphs is specifically addressed to the alleviation of the shortages forecast in the last column of Table XVII—1. In the case of some cadres of staff, there will remain a residual shortage even after the proposed training programmes have been implemented fully and on schedule. It is not, however, anticipated that such residual shortages would necessitate any significant reduction in the proposed expansion of services.

Table XVII—1. Supply/Demand Prospects Relating to Certain Key Health Personnel

Category of Staff	Number available (1969-end) (i)	Additional output from existing local training facilities at current rates (1970–1976 inclusive) (ii)	Requirements (1976-end) (iii)	Indicated shortage (1976-end)* (iv)
1. Medical Officers and Specialists	588	335	1,225	420
2. Dental Surgeons	31	—	60	30
3. Medical Assistants	407	350	900	285
4. Registered Nurses†	473	540	1,100	180
5. Registered Midwives	183	250	n.a.	n.a.
6. Registered Mental Nurses	25	75	140	45
7. Enrolled Nurses†	1,015	1,440	2,970	720
8. Enrolled Midwives	955	1,720	2,060	40
9. Enrolled Mental Nurses	36	110	235	95
10. Health Visitors	19	—	45	30
11. Assistant Health Visitors	42	280	880	565
12. Health Inspectors	115	130	470	250
13. Health Assistants	474	250	1,595	965
14. Public Health Dental Assistants	5	90	175	85
15. Pharmacists	51	—	115	70
16. Entomologists	3	n.a.	5	n.a.
17. Medical Social Workers	—	25	25	—
18. Psychiatric Social Workers	2	5	5	—
19. Health Education Specialists	—	—	20	20
20. Dispensers	120	125	225	—
21. Laboratory Technicians	18	35	140	90
22. Radiographers	46	75	200	90
23. Physiotherapists	21	—	30	15
24. Anaesthetic Assistants	49	55	235	140
25. Orthopaedic Assistants	44	80	120	—
26. Dental Technicians	12	20	15	—
27. Occupational Therapists	4	—	25	25
28. Entomological Field Assistants Officers	11	15	35	15
29. Medical Records Officers	2	n.a.	60	60
30. Health Staff Tutors	33	35	115	60

* With allowance for attrition. † Including nurse/midwives.
All figures in columns (ii) to (iv) are rounded to the nearest five.

A. *Doctors, Specialists and Dental Surgeons*

17.59 The Makerere University Medical School will continue to be the main source of Ugandan medical doctors. Over recent years, the annual output from this school has been around 30 Ugandan doctors. This is expected to increase gradually to about 70 by the end of Plan III, mainly as a result of an increasing proportion of places at the school becoming available to Ugandans. Fuller details of the development to be carried out at the Medical School are discussed in Chapter Eighteen. It must be realised, however, that the planned expansion of the School in Plan III will result in increased output only during periods beyond the Plan. In addition to the output of Makerere, about 20 Ugandans are likely to graduate annually from medical schools outside Uganda. However, even assuming that all these new graduates become available to Uganda, there will remain a large shortfall below requirements. An intensive campaign to recruit foreign doctors will therefore be undertaken. Greater efforts will also be made to make the fullest use of para-medical and auxiliary staff in relieving doctors of routine duties. Government will endeavour to provide specialists in the main clinical disciplines at all reference hospitals, and to satisfy the special needs of Mulago Hospital in this respect. To the extent that conditions permit, specialists will also be posted at the busier non-reference district hospitals. The facilities for specialist training at the Makerere Medical School will be expanded, special emphasis being laid on post-graduate training in public health. All requirements for dental surgeons will continue to be met through recruitment and training overseas, until relevant training is introduced at Makerere, perhaps during the next plan period.

B. *Medical Assistants*

17.60 There are at present two Medical Assistants' Training Schools in the country, one at Mbale and the other at Fort Portal. During Plan III, both these schools will be expanded to permit enrolments at each of them to increase from 90 to 150. Urgently needed improvements to the teaching and accommodation facilities at the schools will also be undertaken, as these facilities are inadequate even for present levels of enrolments. The cost of the planned expansion and improvements of existing Medical Assistants' Training Schools is estimated at just over Shs. 1·3 million over the period of Plan III. In addition, a third school for medical assistants is to be set up at Gulu. This school was to have been built during the Second Five-Year Development Plan but funds did not permit it. During Plan III, Shs. 1·2 million is provided for the capital cost of the school.

C. *Nurses and Midwives*

17.61 There are two main levels of trained nurses and midwives in Uganda. The lower level is that of enrolled nurses and midwives. Government training for this level is at present provided at Jinja (nurses and midwives), Masaka (nurses and midwives), Gulu (midwives), Lira (nurses), and Mbarara (midwives). Work is under way to expand the capacity of all these schools to 180 places for both nursing and midwifery trainees at each place. At the same time, new training schools of similar capacity are being set up at Arua, Soroti and Kabale. The first intakes into the new schools will be effected in the early years of Plan III, and by 1974 total annual output from all eight schools is expected to reach its planned level of 216 nurses and 216 midwives. A capital expenditure of about Shs. 5 million will be incurred by Government during Plan III to complete development work on the eight schools. In addition, Government will set up new schools for enrolled staff at Mbale, Moroto, Tororo and Bombo.

Since it appears that output from schools at present operating or under construction will soon match the additional requirements for midwives, three of the four proposed new schools will, in the first instance, be confined to nurses' training. The capital cost of the four new schools is estimated at Shs. 4·5 million. The training of enrolled nurses and midwives at Mulago is being phased out, and will cease completely during the early part of Plan III.

17.62 The church missions run training schools for enrolled nurses at Nsambya, Mengo and Virika, and for enrolled midwives at Nsambya, Mengo, Kamuli, Kalongo and Ngora. Altogether, these schools produce about 60 nurses and 85 midwives every year. No definite plans are known regarding the future development of the schools, and it is therefore assumed that they will continue to operate at their present capacities throughout Plan III. It is, however, expected that a new mission school will be set up at Rubaga to produce, by the end of Plan III, about 20 enrolled nurses annually.

17.63 Serious consideration is being given to the development of a new type of nurse to gradually replace both the present "enrolled nurse" and "enrolled midwife". The new-type nurse would be trained in such a way, that he/she would combine the skills of a hospital nurse, midwife, public health nurse, and, optionally, psychiatric nurse. Such a re-orientation towards comprehensive training appears to have advantages with respect to length of training time. More important, it would produce a nurse better suited to Uganda's realities and who can be used in a wider range of health services and health units. The full implications of this new form of training need to be studied in greater detail. To this end, a pilot comprehensive nursing training scheme is to be instituted at Jinja during Plan III. In all, the scheme will cater for 30 trainees in two groups. When these have gone through the entire course, a full evaluation will be made and a decision taken whether to introduce comprehensive training on a wider scale and to other grades of nursing. Shs. 500,000 is provided for the facilities relating to the pilot scheme at Jinja.

17.64 One level above enrolled nurses and midwives is the cadre of registered nurses and midwives. In spite of the training now provided at Mulago for this level of staff, a large proportion of registered nurses and midwives in Uganda are still foreign-trained. The prospective shortage indicated against registered nurses and nurses/midwives in Table XVII—1 is exaggerated to the extent that about 100 additional registered nurses/midwives are expected to join the service in Uganda from training institutions abroad over the period in question. Even granting this possibility, however, there still remains an important shortfall forecast for 1976, on the basis of present sources of supply. In view of this and of the fact that a sizeable proportion of the output of the present school will be siphoned off into other specialised training, it is planned to start a second registered nurses' training school at a reference hospital outside Kampala. Shs. 4·0 million is provided for this during Plan III. The new school will produce about 45 registered nurses/midwives annually. The existing school at Mulago for registered nurses and midwives will continue to operate at its present capacity.

17.65 A very important type of specialised nurse is the mental (or psychiatric) nurse, of whom, again, there are two levels in Uganda—enrolled and registered. There are two schools in Uganda training for both levels. It is planned to increase the total number of places at the two schools from the present 54 to 180 (60 for "registered" trainees and 120 for "enrolled" trainees). Shs. 3·4 million is provided for this expansion.

17.66 Thought is being given to the integration of all registered-level nursing training into a course comprising about two years' basic training plus an additional year or so of specialised training in a particular field such as general hospital nursing, midwifery, psychiatric nursing or health visiting. It is expected that this would be considerably less expensive (in time and money) than the present pattern of training the various registered-level nursing staff, and that it might produce nurses more adaptable to varying situations. A cautious start with the new system of training will be made at the proposed second registered nursing school, and, depending on the success achieved there, it will be gradually extended to all other training centres. In carrying out the proposed developments mentioned in preceding paragraphs relating to the different types of registered-level nursing training, allowance will be made for their possible eventual integration into the new system.

17.67 The Government is to embark on a limited programme of sponsoring registered nurses for higher training at university level institutions. Such university-trained nurses are going to be increasingly needed for teaching registered nurses and for senior nursing administrative jobs. To start with, recourse will be made to appropriate institutions outside Uganda. In the longer run, however, it may be necessary to provide a broad-based diploma course in nursing at Makerere University.

D. *Public Health Staff*

17.68 The major cadres of staff doing full-time public health work in Uganda are health visitors, assistant health visitors, health inspectors and assistant health inspectors. As can be ascertained from Table XVII—1, it is in these very important cadres that forecast shortages are greatest in relation to requirements.

17.69 It is considered more than likely that the estimate of future requirements for health visitors, given in Table XVII—1, is an under-statement. There is at present no training of health visitors anywhere in Uganda as mentioned in the preceding paragraphs, public health nursing may eventually be offered as an optional specialisation on the last stages of the proposed new training course for registered nurses. Before this new course is firmly and widely introduced, a one-year Health Visitors' Diploma course will be instituted at Mulago. The course will take in 10 registered nurses or registered nurses/midwives every year. Special tutors will be recruited to conduct the course and about Shs. 100,000 is provided for some minimum equipment. However, it is planned, in the main, to use the facilities of the School of Nursing and Midwifery at Mulago for the Health Visitors' diploma course also.

17.70 Assistant health visitors are some of the most crucial staff in the operation of rural health centres. They are, however, also required in large numbers for all levels of hospitals, for urban authorities and for private organisations. There are at present two training schools (at Entebbe and Mbarara) for assistant health visitors with a combined annual output of 40, which is a long way from meeting requirements. Accordingly, it is planned to build four additional schools, with a total of 80 places, for trainee assistant health visitors during Plan III. The four new schools will be at Kampala (for training in urban public health work), Arua, Gulu and Jinja. If the problem of finding suitable recruits can be solved satisfactorily, the six schools are expected to be producing a total of about 100 assistant health visitors every year from 1973 onwards. As already mentioned, public health nursing at this level may eventually be incorporated into a new type of comprehensive nursing training. This possibility will be borne in mind in the designing and siting of the proposed four new schools for assistant health visitors. Shs. 1·0 million is provided for building and equipping the school during Plan III.

17.71 Health inspectors and health assistants are trained at the School of Hygiene, Mbale, which has an annexe at Nakasero for practical urban work. The school has places for 53 health inspector and 78 health assistant trainees, the latter being prepared mainly for rural work. The present facilities of the school are severely overcrowded and are therefore badly in need of expansion even to cater for present enrolments. In addition, it is now planned to expand enrolments to a total of 300 (150 for each of the two levels of training). The facilities at the Nakasero annexe will therefore also need to be correspondingly expanded. The Plan III provision for all these developments is Shs. 5·3 million.

17.72 Mention has already been made of the Training School for Public Health Dental Assistants the construction of which began during the latter stages of the Second Five-Year Development Plan. The first group of locally trained public health dental assistants will qualify in 1974. The planned output of the school is 30 per annum and this would, in a short while, be enough to keep pace with requirements. Most of the capital cost of setting up the school was incurred during the Second Five-Year Development Plan. Shs. 600,000 is provided for the balance of works falling within Plan III.

E *Ancillary and Supporting Technical Staff*

17.73 This group of para-medical staff may be sub-divided into three categories: First, there are those health-allied professional staff who require university training or its equivalent. The most relevant of these are the pharmacists, entomologists, medical social workers, psychiatric social workers and engineers of various types. Medical social workers, psychiatric social workers and entomologists are trained at Makerere, and this source is estimated to be adequate for the needs of the health services in all these fields. The requirements for pharmacists are such that very soon their training locally will become necessary. Meanwhile, pharmacists will continue to be trained and recruited abroad. The same will apply to engineers until the new Faculty of

Technology at Makerere can satisfy all needs. The Government plans to set up an entirely new cadre of health worker, to be known as "health education specialist". These will be university graduates in the social sciences, education or the biological sciences, who, after a period of practical experience followed by post-graduate training in health education, will be put in charge of administering the country's entire health education programme. The immediate need is for 22 such specialists and this number is expected to be trained and recruited during Plan III.

17.74 Numerically more important than the para-medical professionals are the technical and clinical supporting staff such as laboratory technicians, dispensers, radiographers, dental technicians, entomological field assistants, physiotherapists, anaesthetic assistants, occupational therapists and orthopaedic assistants. The health services, like the entire Uganda economy, are at present experiencing severe shortages of this level of staff. Some training is offered for all these categories of staff (except physiotherapists and occupational therapists) at Mulago. For some categories, there is a steady output of diplomates; for others, training is *ad hoc* or just beginning. More recently, use has also been made of the newly instituted laboratory technicians' course at the Uganda Technical College, Kyambogo. Training has been hampered by a shortage of tutors and by the totally inadequate teaching and accommodation facilities at Mulago.

17.75 In order to relieve the present difficulties, to expand the total volume of training offered, and to effect some urgently needed rationalisation in the training of this cadre of personnel, it is planned to set up the first phase of a new Medical Technical Training Centre at Mulago, with a total enrolment of 250 trainee dispensers, radiographers, anaesthetic assistants, dental technicians, physiotherapists, occupational therapists, orthopaedic assistants and laboratory technicians. Shs. 5·8 million is provided, in Plan III, for the erection and full equipment of the medical technical training centre. Mulago is not considered to be a suitable site for the training of entomological field workers. It is therefore planned to transfer the training of these workers to Mbale where more fruitful practical field work can be done. A new school, with a total enrolment of 25, is to be set up at a cost of Shs. 500,000.

17.76 The third group of ancillary staff are the non-technical administrative staff working in the health services. These include hospital secretaries, medical records officers and various levels of stores staff. In the past, the requirements in all these have been met through in-service training. This will continue to be the practice with respect to hospital secretaries and stores staff. With regard to records officers, however, the demand in terms of numbers and quality is such that in-service training alone cannot cope. It is therefore planned to establish a special school for medical records officers. The school, to be associated with a reference hospital, will have a total enrolment of 25–30 students, and would offer a course in basic statistical methods followed by some medical training. Shs. 400,000 is provided for the setting-up of this school during Plan III.

F. *Health Staff Tutors*

17.77 Severe shortages are being experienced in respect of all types of health tutors. The extensive Plan III health staff training programme will increase the demand for tutors very significantly, and the success of the training programme will naturally depend on adequate numbers of tutors becoming available at the right time. Unless the supply of tutors grows substantially, the Plan III training programme, and consequently the entire health development programme, will again suffer from the same setbacks as were experienced during the Second Five-Year Development Plan.

17.78 Following on a recent detailed investigation of the needs and problems of tutor training, it is now planned to establish a Joint Health Tutor Training College to train tutors required for the different health staff training institutions in the country. The college will be sited in Kampala, within easy reach of Mulago, Butabika and Makerere. It will have an enrolment of 30 trainees, preparing to become enrolled nurse/midwifery tutors, registered nurse/midwifery tutors, public health nursing tutors, psychiatric nurse tutors, medical assistant tutors and health inspector/assistant tutors. Other forms of tutor training will be introduced gradually. The present Midwifery Tutors' School will be incorporated into the new college. The establishment of the college is estimated to cost Shs. 800,000 during Plan III.

G. *Other Observations on Staff Training*

17.79 In line with Government's overall training policy, the training of health staff outside Uganda will be sponsored only in cases where this cannot be adequately offered in the country. In a number of very specialised health staff, such overseas training will therefore continue to be necessary. On the whole, however, the effect of the training proposals described above will be to greatly reduce the need for training outside Uganda.

17,80 In a number of cases, it is essential for training institutions for health personnel to be in or near Kampala, either in order to ensure continuous contacts with Mulago, Makerere, Butabika Hospital or some other important facilities only available in Kampala or because of the need to provide an appropriate environment for practical urban field work. In all other cases, an effort has been made, in preparing the health training programme of Plan III, to disperse training facilities as much as possible all over the country.

17.81 The costs indicated for the various development projects in the health training programme assume that a proportion of the trainees at certain institutions will be day students. This departure from past practice is dictated by the need to reduce costs, but every effort will be made to ensure that it does not result in a decline in standards or undue hardship for the trainees.

17.82 The discussion in the preceding sections has been largely confined to what is commonly defined as "high-level" staff. These are the key staff from the point of view of shortages and cost of training. There are, however, very large numbers of important workers in the health services who are recruited without any significant prior training. Because of staff shortages, these workers, called "group employees" in public service nomenclature, very often assume responsibilities greater than those for which they are intended. In any case, they are often in daily contact with patients. It is therefore necessary to provide them with some elementary training in health education and other forms of preventive medicine. A new scheme for doing this on a continuing basis is being worked out.

V. Summary of Government Expenditure on Health Services

17.83 Outside the specific projects mentioned in preceding paragraphs, it will be necessary to make available, every year, a variety of additional equipment to the health training schools, in order to continually enhance the quality of instruction offered and to cater for *ad hoc* adjustments in training programmes. Shs. 500,000 is provided for this during Plan III.

17.84 The cost to Government, on development account, of the various proposals described in this chapter adds up to about Shs. 267·8 million. However, a number of the more important development proposals will involve only expenditure on recurrent account. A full assessment of this latter type of expenditure is impossible to make because of the many factors which affect its growth. As a very approximate indication of the magnitudes involved, the net recurrent expenditure of the Ministry of Health is estimated to grow by about 6 per cent every year over the period of Plan III. It must be reiterated that, although at several places in the preceding sections reference has been made to non-Government health services, no definite development proposals relating to these services has been taken into account in the financial estimates.

17.85 Table XVII—2 presents a summary by major programme of Government Development Expenditure on the Health Services.

Table XVII—2. Health Services: Government Development Expenditure*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	HEALTH EDUCATION AND DISEASE CONTROL PROGRAMME		6·7	4·1
17–1	Health Education Centre, and related facilities at District Hospitals	MH	2·8	0·2
17–3	Regional Nutrition and Rehabilitation Units	MH	0·5	0·5
17–4	Smallpox Eradication	MH	0·6	0·6
17–5	Tuberculosis Eradication	MH	0·9	0·9
17–7	Expansion of Vector Control Division ..	MH	0·2	0·2
17–6	Malaria Eradication	MH	1·7	1·7
	RURAL HEALTH FACILITIES PROGRAMME ..		69·9	52·2
17–8	Rural Hospitals—Phase I	MH	0·5	—
17–9	Rural Hospitals—Phase II	MH	13·2	13·2
17–10	Rural Health Centres	MH	56·2	39·0
	URBAN HOSPITAL DEVELOPMENT PROGRAMME		125·0	70·8
17–11	Kampala District Hospital	MH	50·0	30·0
17–12	Establishment of Radio Therapy Unit, Mulago—Phase I	MH	3·2	—
17–13	Establishment of Haemodialysis Unit at Mulago	MH	0·2	—
17–14	Equipment for Specialised Units at Mulago	MH	1·6	0·8
17–15	District and Other Urban Hospitals ..	MH	70·0	40·0

Table XVII—2. Health Services: Government Development Expenditure*—*continued.*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	General Administrative and Common Services Programme		21·3	17·9
17–16	Medical Stores Headquarters	MH	4·0	1·2
17–17	Regional Medical Stores	MH	3·0	3·0
17–18	Expansion of Government Pharmaceutical Plant	MH	0·6	0·6
17–20	Establishment of Medical Vehicles and Equipment Workshop	MH	1·6	1·6
17–21	Additional Vehicles for the Ministry of Health	MH	1·3	1·3
17–22	Replacement of Hospital Equipment ..	MH	5·0	5·0
17–19	Central Pathological Laboratory and Blood Transfusion Unit	MH	0·8	0·2
17–23	Miscellaneous Alterations and Repairs to Medical Establishments	MH	5·0	5·0
	Mission Health Facilities Programme ..		10·0	5·0
17–24	Capital Grants for Mission Health Services	MH	10·0	5·0
	Health Training Programme		34·9	33·5
17–25	Expansion of Mbale and Fort Portal Medical Assistants School	MH	1·3	1·3
17–26	Gulu Medical Assistants School	MH	1·2	1·2
17–27	Completion of expansion of Enrolled Nursing/Midwifery Schools at Jinja, Masaka, Gulu, Lira, Mbarara	MH	1·6	1·6
17–28	New Enrolled Nursing/Midwifery Schools at Arua, Soroti and Kabale	MH	3·4	3·4
17–29	New Enrolled Nursing/Midwifery School at Mbale	MH	1·8	1·8
17–30	Enrolled Nursing Schools at Bombo, Moroto, Tororo	MH	2·7	2·7
17–31	Comprehensive Nurse Training Pilot Scheme, Jinja	MH	0·5	—
17–32	New Registered Nurse Training School ..	MH	4·0	4·0
17–33	Registered/Enrolled Mental Nursing School	MH	3·4	3·4
17–34	Health Visitors Diploma Course ..	MH	0·1	0·1
17–35	New Assistant Health Visitors Schools at Kampala, Arua, Gulu and Jinja ..	MH	1·0	1·0
17–36	Expansion of School of Hygiene, Mbale, and Nakasero Annex	MH	5·3	5·3
17–42	Completion of Public Health Dental Assistants' Training School	MH	0·6	0·6
17–37	Medical Technical Training Centre, Mulago	MH	5·8	5·8
17–38	New Entomological Field Assistants' School, Mbale	MH	0·5	—
17–39	New School for Medical Records Officers ..	MH	0·4	—
17–40	Joint Health Tutor Training College ..	MH	0·8	0·8
17–44	Miscellaneous Equipment for Training Schools	MH	0·5	0·5

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* The relationship between the bank and high priority allocation to each project is explained in Chapter Eight (paragraphs 8.7—8.10). The system of code numbers associated with each project is described in Appendix I.

† MH = Ministry of Health.

Chapter Eighteen

EDUCATION

18.1 In the field of education and training, Government's main long-term objectives are:—

(i) To make primary education available to a fast increasing proportion of school-age children until, ultimately, universal primary education is achieved providing every individual with basic skills and cultural awareness necessary for a full and productive life within a dynamic society.

(ii) To provide sufficient manpower of the type and quality necessary to meet the skill requirements of the expanding Uganda economy.

Although the educational development programme of Plan III is principally geared to the achievement of these two specific goals, it also recognises the very important role of education, at all levels, as a factor in the cultural and intellectual development of the Uganda community.

18.2 In some areas, impressive progress in the expansion of education since Independence has been made. The number of candidates for the School Certificate Examination has increased by almost nine times between 1962 and 1970. The number of higher secondary places has risen from 427 in 1962 to 3,220 in 1970. Makerere has grown from a University College with an undergraduate enrolment of less than 1,000 to a full-fledged independent university preparing 2,985 students for first degrees in 1970. In other areas, progress has not been so dramatic. Primary education has barely grown rapidly enough to maintain the proportion of primary school-age children in school. There are still many areas, particularly in technical occupations, where the shortage of fairly simple skills is a bottleneck. The detailed programmes and policies outlined in this Chapter are designed to overcome these obstacles, as well as to consolidate and build upon the achievements already realised.

I. Primary Education

18.3 The main quantitative target for primary education in the Second Five-Year Development Plan was to increase the number of places in grant-aided primary schools by 227,000. In the event, enrolments in grant-aided primary schools have grown by about 170,000 over the Plan period—from 564,000 in 1966 (39,000 above the plan estimate for that year) to 735,000 in 1971. Actual performance has therefore been substantially below the Plan target.

18.4 There is no continuous statistical series for the number of children in private primary schools. It is therefore not possible to assess the growth of private primary education during the Plan. In the only year for which information is available, 1970, there were about 200,000 children, approximately 13 per cent of the primary age group*, in private primary schools.

18.5 Two factors make the shortfall below the target for grant-aided enrolments particularly serious. In the first place, during the Second Five-Year Development Plan, the switch-over from a six- to a seven-year basic primary course was completed. Total enrolments today, therefore, relate to a larger primary school-age group than was the case in 1966; and it follows from this that only part of the increase in enrolments over the Plan period reflects an increase in the number of children who receive primary education. Secondly, the school age population has been growing very rapidly indeed. Because of these two factors, the relatively slow growth in enrolments during the Second Five-Year Development Plan is likely to have resulted in a decline in the proportion of primary school-age children actually enrolled, from about 41 per cent in 1966 to about 39 per cent in 1971.

18.6 There appears to have been two prime reasons for the failure to achieve the primary enrolment target. First, in parts of the country where the population is small and the schools are far apart, many children are too far from the nearest school for it to be feasible for them to attend. Secondly, a serious problem has been the shortage of trained primary school teachers. Table XVIII—1 indicates that, although the pupil/teacher ratio showed some improvement over the Plan, this occurred only because of a very substantial increase in the number of unqualified teachers between 1966 and 1968. Out of a total increase in the number of teachers of 3,426 between 1966 and 1970, 1,570 were unqualified.

Table XVIII—1. Grant-aided Primary Education: Second Plan Performance

	1966	1967	1968	1969	1970	1971
Primary School intake (*thousands*)	122	119	113	133	131	133†
Primary School enrolment* (*thousands*)	564	642	632	710	720	735†
Junior Secondary enrolment (*thousands*)	69	—	—	—	—	—
TOTAL ENROLMENT (*thousands*)	633	642	632	710	720	735
Primary and Junior Secondary teachers	17,821	19,257	20,212	20,663	21,247	21,600†
Of which unqualified	2,059	2,946	3,597	3,595	3,629	n.a.
Pupil/Teacher ratio	35·5	33·3	31·3	34·4	33·9	34·0

*1966 Primary enrolment refers to P1–P6; in subsequent years to P1–P7;
†Estimates

18.7 Government attaches the utmost importance to achieving a rapid growth in primary education. In the Second Five-Year Development Plan, it was indicated that universal primary education would be achieved during the 1970's. This is now considered to be totally infeasible, both because of the failure to achieve a rapid growth in enrolments over the last five years, and because the 1969 Census revealed that the size of the population and its growth are much greater than was assumed in the Second Five-Year Development Plan. The achievement of universal primary education is many years ahead, and it would be dangerous to underestimate the size of the task which the nation faces in this regard. Much depends upon the success in reducing the rate of population growth. If the planned growth of intakes for Plan III can be achieved and continued into the future, and if the measures to reduce the rate of population growth are successful, universal primary education will be achieved by the early years of the next century. If no measures to reduce the rate of population growth are taken, and the population growth rate continues its present gradual acceleration, universal primary education will not become a reality until decades after the end of the present century, unless a disproportionately large amount of the country's resources are devoted to the expansion of primary education.

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* The primary school-age group and the primary intake age are, of course, both ambiguous concepts, since the age at which children enter and complete primary education is variable. For the purposes of the comparisons made in this Chapter, the primary intake age is taken to be seven years, and the primary school-age group 7–13 years. Since intake and enrolment ages are probably rather higher than these figures, the proportion of children in primary school quoted here are, if anything, overestimates.

18.8 The main Plan III objective for primary education is to increase P1 intakes by 10,000 each year, to reach 183,000 by 1976. If this target is achieved, primary intakes will have reached about 52 per cent of the intake age group of seven-year olds. If present attrition rates through the primary school system continue, total grant-aided enrolments will reach 920,000 in 1976, 41 per cent of the primary school-age group. Intakes will grow on average by 6·6 per cent per annum, while total enrolments will grow more slowly, at 4·6 per cent per annum, because of the stagnation of intakes during the Second Plan. The development of primary enrolments during Plan III is shown in Table XVIII—2. Assuming that the proportion of children attending private primary schools shows little change over the Plan, 54 per cent of the primary school-age group will be in primary schools by 1976.

Table XVIII—2. Plan III Targets: Grant-aided Primary School intakes and enrolments

(thousands)

	1971	1972	1973	1974	1975	1976
P1 (Intakes)	133	143	153	163	173	183
P2	120	122	132	141	150	159
P3	116	118	120	129	138	147
P4	99	107	109	110	119	127
P5	90	90	97	99	100	108
P6	81	89	89	96	98	99
P7	96	80	88	88	96	97
TOTAL P1–P7 ..	735	749	788	826	874	920

18.9 Government is concerned that the provision of grant-aided primary education should be spread evenly throughout the country. Primary education is a social service which all citizens should have an equal opportunity to benefit from. In 1966–68 (the latest years for which a district by district breakdown of primary enrolments is available), intakes averaged 45 per cent of the intake age group, with wide variations between districts—from 68 per cent in Acholi to 32 per cent in East Buganda. Table XVIII—3 shows the historical distribution of grant-aided primary intakes, and the distribution whose achievement in 1976 would effectively iron out the present inter-district variations in the proportion of primary intake age children who enter school.

Table XVIII—3. Distribution of Intakes into Grant-aided Primary Schools by District.

	1966–68 average %	1976 target %	1976 target of children (*thousands*)
West Buganda, including Kampala	10·4	8·9	16·3
East Buganda	6·3	9·0	16·5
Masaka	5·2	6·7	12·3
Mubende	3·0	3·5	6·4
Teso	6·0	6·0	11·0
Bugisu, including Mbale ..	5·3	4·5	8·2
Bukedi	5·7	5·5	10·1
Busoga, including Jinja ..	7·7	9·9	18·1
Sebei	1·0	0·6	1·1
North Karamoja } ..	2·6	2·9	5·3
South Karamoja }			
Kigezi	6·4	6·8	12·4
Ankole	6·8	9·0	16·5
Toro	5·8	6·0	11·0
Bunyoro	5·1	3·7	6·8
West Nile	7·8	6·0	11·0
Madi	1·6	0·9	1·6
East Acholi } ..	7·3	4·9	9·0
West Acholi }			
Lango	5·6	5·3	9·7
TOTAL ..	100·0*	100·0*	183·0

*Figures do not add to total because of rounding.

18.10 Two main instruments will be used both to increase grant-aided primary intakes and enrolments, and to improve their distribution by district. First, Government will continue to give grant-aided status to as many additional primary classes as the increased supply of trained teachers permits. Additional grant-aided classes will be concentrated particularly in those districts where the proportion of intake age children who enter school is below the national average. Secondly, starting in the first year of the Plan, Government will provide a capital contribution towards the construction and equipping of development classes in those areas where primary education is lagging behind. Assistance will be provided to a total of 1,500 classes, at a cost to Government of Shs. 6·0 million over the Plan period. In addition to this special allocation a part of the amount set aside for self-help activities (*see* Chapter Twenty) will be available to help parents in the construction of new primary school classes. Local administrations will also continue to provide capital grants for primary education out of their own budgets.

18.11 In North and South Karamoja, primary school fees have been entirely remitted for a number of years, and children have been provided with a mid-day meal. Government has also borne the capital cost of the buildings and equipment for primary education. Enrolments have grown rapidly, and Karamoja is now not far behind the rest of the country in the provision of primary education. Government will continue its special assistance to primary education in Karamoja, although capital assistance will be on a somewhat smaller scale than in the past. Shs. 2·0 million is provided for this during Plan III.

18.12 The quantitative intake target is Government's main objective for primary education during the Plan. Attention will, however, also be paid to the qualitative aspects of primary education. During the Second Five-Year Development Plan, a new primary curriculum was introduced. It is clear, however, that, while the new curriculum is an improvement on the one it replaced, there is still too much emphasis on academic achievement. The academic bias of the present curriculum is of real value only to those who can continue their education after leaving primary school; and yet only a very small proportion—about 10 per cent—of those who enter primary school have an opportunity for further training. For the vast majority of pupils at primary school, a more practically orientated syllabus would be of much greater relevance for later life. During the Plan, therefore, alterations to the primary syllabus will be evolved and introduced to increase the emphasis on practical and applied subjects. This task will be the special responsibility of the National Curriculum Development Centre, further details of which are set out in paragraph 18.54.

18.13 The large increase in the proportion of primary school teachers who are unqualified which occurred during the Second Plan has seriously affected the quality of primary education. If the Plan III primary enrolment target is to be achieved, it will be difficult to prevent any further decline in the quality of instruction over the next few years, because of the small numbers of additional trained primary teachers who will become available during the Plan. Government, however, believes that it is less objectionable for class sizes to increase over the Plan than for further unqualified teachers to be recruited. The entire addition to the primary teaching force will be fully trained teachers, and the proportion of primary teachers who are unqualified will thereby decline from about 17 per cent in 1971 to about 13 per cent in 1976.

18.14 In the past, Government has given special financial assistance, for both recurrent and capital expenditure, to various primary schools in urban areas. Several of these schools serve mainly the expatriate and diplomatic communities, as well as a considerable number of Ugandans. Although the value of these schools and the need for their continued operation is recognised, it is no longer possible for Government to support them financially to the same extent as in the past, particularly in view of the pressing needs for the education of the great majority of children who live in the rural areas. Consequently, early in the Plan, Government will examine the implications of these schools becoming self-financing to the same extent as the primary schools administered by the district administrations. In that event, apart from teachers' salaries and Government's normal capital contribution towards development of classes, the entire cost of running the schools will in future be borne by the parents.

18.15 Government has given careful consideration to the need to introduce a minimum entry age to primary schools. The issue is a complicated one. On one hand, because primary education is terminal for the great majority of pupils, it is important that they should be approaching maturity by the time they leave school. It is also important that those who go on to vocational training after leaving primary school should be old enough to benefit fully from these courses. On the other hand, a child who goes on to secondary and higher education has many years of training before him and it is therefore important that he leaves primary school at a fairly early age. Because of this conflict, quite apart from the practical difficulty of age measurement in the absence of universal vital registration, the entry age for primary education will continue to be flexible during the Plan, concentrated in the 6–8-age group.

18.16 Overall, Government's recurrent expenditure on primary education will grow rapidly during the Plan, from an estimate of Shs. 119 million in 1970/71 to Shs. 164 million in 1975/76.

II. Primary Teacher Training

18.17 Mention has already been made (paragraph 18.6) of the shortage of trained primary school teachers during the Second Five-Year Development Plan. The main cause for this was the failure to expand the output from the primary teacher training colleges. The Grade III colleges, which provide two-year training after the East African Certificate of Education, increased their output from 150 in 1966 to a forecast 235 in 1971, but this is still far below the Second Five-Year Development Plan target of an annual output of 500 by 1971. The Grade II colleges offer a four-year post primary training course. The Plan target for these colleges was to achieve a modest output of 900 by 1971. In the event, output declined from 790 in 1966 to a forecast 750 in 1971. The main problem has been that various difficulties have prevented the implementation of the project to construct four large new regional teacher colleges, which were expected to provide the basis for rationalising the structure of teacher education. Pending the implementation of the project, almost no improvements to the existing colleges were carried out during the Plan. Development expenditure on primary teacher education between 1966/67 and 1970/71 amounted to Shs. 4·9 million, compared to the Plan target of Shs. 70 million.

18.18 Because of the time that it takes to train primary school teachers, and the time which it takes to construct additional facilities to expand teacher training, teacher supply over most of Plan III is already determined. The present shortage of teachers will therefore become more acute during the Plan, and the measures taken during Plan III will only bring relief during the Fourth Plan.

18.19 Government's targets for primary teacher training are extremely ambitious. Intakes into Grade II colleges are to be increased from 900 in 1971 to 2,550 by 1976. Total enrolments in these colleges will grow from 3,450 in 1971 to 8,640 in 1976. Grade III colleges are also to be considerably expanded, with the intake rising from 290 to 650 and enrolment from 563 to 1,270 over the Plan. The development of intakes and enrolments over the Plan is shown in Table XVIII—4.

Table XVIII—4. Primary Teacher Training Colleges: Intakes, Enrolment and Output over Plan III

	1971	1972	1973	1974	1975	1976
Grade II Colleges:						
Intake ..	900	900	1,700	2,200	2,400	2,550
2nd Year ..	845	895	895	1,690	2,187	2,386
3rd year ..	869	818	866	866	1,636	2,117
Final Year ..	839	842	793	839	839	1,585
TOTAL enrolment ..	3,453	3,455	4,254	5,595	7,062	8,638
Qualified output* ..	746	787	790	744	787	787
Grade III Colleges:						
Intake ..	290	350	500	650	650	650
2nd year ..	273	277	333	475	618	618
TOTAL enrolment ..	563	627	833	1,125	1,268	1,268
Qualified output* ..	235	259	263	316	451	587
TOTAL teacher output	1,052†	1,112†	1,053	1,060	1,238	1,374

*Attributed to the year in which they enter the teaching force.

†Including 71 and 66 output from the Grade II–III upgraders colleges in 1971 and 1972 respectively

18.20 The impact of the expansion of primary teacher training on teacher supply is shown in Table XVIII—5. Owing to the continuing shortage of teachers the pupil/teacher ratio will rise quite sharply during the Plan. During the next Plan, when the substantially increased intakes of 1973/76 emerge as trained teachers, there will be scope for a slight reduction in the student/teacher ratio, as well as for a more rapid growth in enrolments.

Table XVIII—5. Primary Teacher Supply during Plan III.

	1971	1972	1973	1974	1975	1976
Stock of teachers at beginning of year	21,253	21,597	22,061	22,452	22,837	23,38
Less 3% normal wastage ..	708*	648	662	675	685	70
Plus output of trained teachers ..	1,052	1,112	1,053	1,060	1,237	1,37
Equals stock of teachers at end of year (rounded)	21,600	22,060	22,450	22,840	23,390	24,06
Primary school enrolments. (*thousands*)	735	749	788	826	874	92
Student/teacher ratio	34.0	34.0	35.1	36.2	37.4	38.

*Including 70 special wastage for in-college upgrading.

18.21 Careful consideration has been given to the relative rates at which Grade II and Grade III colleges should be expanded. The advantage of expanding Grade III compared to Grade II colleges is that because the course is shorter, an increase in teacher supply can be more rapidly achieved. It is for this reason that Grade III colleges are to be expanded over the Plan. In the longer run, however, Government prefers to concentrate its efforts on increasing the output from Grade II colleges. In the first place, it is essential that increasing numbers of good Grade II teachers with some years of teaching experience should be offered an opportunity to up-grade themselves through correspondence courses and become Grade III teachers. Secondly, if the proportion of Grade III teachers in the overall teaching force rises too rapidly, this has serious and unacceptable recurring financial implications for Government, since Grade III teachers are paid considerably more than Grade II teachers. These factors imply that there should be restraints on the number of Grade III teachers who are trained in full-time courses. After the end of Plan III, therefore, it is expected that Grade II college intakes will grow gradually from the new high level reached by 1975/76, while Grade III college intakes will be frozen. By the end of Plan III, it is estimated that there will be sufficient Grade III teachers to teach all P6 and P7 classes.

18.22 Mention has just been made of the need to increase opportunities for up-grading. The present system of Grade II teachers up-grading by attending a two-year course is to be abolished. Instead, effort will be concentrated on increasing the number of teachers who study for up-grading by correspondence courses. This method avoids withdrawing a teacher from service while he is training. There has already been substantial experience with up-grading through correspondence courses. Over the last three years, almost 900 Grade I teachers up-graded to Grade II by this method. During Plan III, a further 1,500 Grade I teachers will up-grade through correspondence. In addition, 750 licensed teachers will up-grade to Grade I, and 3,000 Grade II teachers will up-grade to Grade III.

18.23 The massive expansion of primary teachers' colleges which is envisaged can only be achieved if large numbers of additional staff can be found. For a few years, a substantial number of the new teachers will have to come from abroad. The major source for Ugandan teachers at teachers' colleges is the Institute of Education at Makerere, which runs a one-year training course for experienced Grade III teachers up-grading them to Grade IV standard. Enrolment in this course is 35 at present, and this will be doubled to 70 in 1972.

18.24 A detailed programme of the development of individual teacher training colleges consistent with the intake and enrolment targets in Table XVIII—4 has been worked out, and is shown in Map G. There are at present 20 Grade II colleges, and the following of them will be expanded to an intake of 135 and an eventual enrolment of 500:—

Ngetta
Kinyamasika
Ibanda
Busuubizi
Namutamba
Ndejje
Nkozi
Kabwangasi
Nyondo Boys*
Nyondo Girls*

Of these, Namutamba will commence expansion in 1974, and all the others in 1973. In addition, the college at Moroto will be expanded to an intake of 70 and an eventual enrolment of 250, commencing in 1974. The total capital cost of these expansions will amount to Shs. 28·0 million over the Plan. An additional Shs. 7·2 million will be spent on renovating existing facilities at these colleges.

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* To be expanded as one college.

18.25 The following completely new Grade II colleges will be opened durin the Plan, all of them mixed colleges with an annual intake of 135:—

	Commencing
Arua	1974
Gulu	1974
Kitgum	1975
Kabale	1974
Masindi	1974
Mubende	1974
Masaka	1976
Njeru	1974
Kaliro	1976
Soroti	1974

The total capital cost of these new colleges will amount to Shs. 50·0 million.

18.26 Intakes for Grade II training at the following colleges will be ru down during the Plan and their facilities will be turned-over to other educatio uses:—

Arua (existing college)
Lodongo
Butiti
Kibuli
Mbarara
Gulu (existing college)
Nkokonjeru
Bukedea
Ngora (BKC)

The run down for Grade II training will commence in 1973 at Mbarara an Kibuli, and in 1974 at the other seven colleges.

18.27 There are at present two small teachers' colleges which provide in-service/refresher courses, at Masindi and Buloba. The sites of these colleges are too congested to permit expansion, and they will be closed down towards the en of the Plan. Government's objective is to have one teacher college concentratin on the provision of in-service refresher courses in each region of the countr Towards the end of the Plan, the present Grade III colleges at Gulu, Bukedea, Nkokonjeru and Butiti will be renovated, at a cost of Shs. 2·4 million, and will re-open as in-service colleges, each with a capacity of 150 students at any one time.

18.28 As soon as possible, the Grade III colleges at Boroboro, Ngora (SA and Iganga will be expanded to an enrolment of 260 with an intake of 125. The capital cost, including improvements to existing installations, will be Shs. 5·9 million. The site at Shimoni Training College in Kampala is too congested. The college will therefore be closed in 1974, and Government will consider using the facilities to house the Teachers' Centre. The college at Bukalasa is poorly located and the site is congested. It will therefore be closed down in 1974. The college at Gaba which provides residential up-grading courses to Grade III is too small to be economic and will also be closed. Instead, the Grade II colleges at Mbarara and at Kibuli will be improved and expanded, at a cost of Shs 4·3 million, and will re-open as Grade III colleges in 1974, each with a capacity of 260 students.

18.29 At present, Grade III colleges suffer as a result of the delay in publishing the E.A.C.E. results. Because of this delay, the colleges have to provide a six-term course in five terms. In order that students at these colleges should benefit fully from their training, the academic year for Grade III colleges will, with effect from 1972, run from May to May each year. Students will graduate a few months later than they do at present, but they will have received a full six-terms of instruction.

18.30 Recurrent expenditure on primary teacher training will grow very rapidly during the Plan—from Shs. 14·0 million in 1970/71 to about Shs. 40·0 million in 1975/76.

III. Secondary Education

18.31 While Government wishes to expand primary education as fast as possible, its policy is that the growth of all other levels of education should accord strictly with manpower needs. Uganda cannot provide places in post primary education institutions in excess of the number required on manpower grounds until the target of universal primary education has been achieved. During the Second Five-Year Development Plan, there was an unprecedented expansion of secondary education. S1–S4 enrolments grew from 20,000 in 1966 to 39,000 in 1971. S1 intakes grew almost as fast, from 6,504 in 1966 to 10,850 in 1971. The Plan targets were to achieve an S1 intake of 8,340 and S1–S4 enrolment of 30,500 by 1971. Both these targets have thus been exceeded.

18.32 The overwhelming feature of secondary education in recent years has been that the output at S4 level has been far larger than the economy has been able to absorb. Certificate of Education holders, even those with adequate grades, have great difficulty in securing employment in any way commensurate with their qualifications. This surplus has arisen partly because the Second Five-Year Development Plan targets were so substantially exceeded. It also arises because the growth of the economy has been slower than expected. Chapter Six explains how the projection of requirements of high level manpower has been adjusted to take account of the fact that our long-term economic growth prospects are somewhat less than the 1966–81 perspective plan originally envisaged. According to these revised projections, total S1 intakes in 1971 should have been 7,000, 30 per cent below the actual intake into government schools that year. The magnitude of the surplus of expensively-educated S4 leavers that is being produced is therefore clear.

18.33 In the face of this surplus, Government has decided that S1 intakes should be very strictly controlled during Plan III. The only growth in intakes which will be permitted will be to improve the present geographical distribution of secondary schools. Where possible, this improvement will be achieved by taking over private institutions rather than by building completely new schools. S1 intakes will grow from their 1971 level of 10,850 to 11,300 by 1976. Table XVIII—6 indicates the expected pattern of S1–S4 enrolments over the Plan.

Table XVIII—6. Plan III: Enrolments in Government Secondary Schools.

	1971	1972	1973	1974	1975	1976
S1 Intakes	10,850	10,850	11,000	11,100	11,200	11,300
S2 Intakes	9,700	10,420	10,420	10,500	10,600	10,700
S3 Intakes	8,890	9,410	10,100	10,100	10,200	10,300
S4 Intakes	8,040	8,530	9,030	9,700	9,700	9,800
TOTAL S1–S4 ..	37,480	39,210	40,550	41,400	41,700	42,100
S5 Intakes	1,950	2,040	2,100	2,160	2,250	2,300
S6 Intakes	1,700	1,850	1,940	2,000	2,050	2,140
TOTAL S5–S6 ..	3,650	3,890	4,040	4,160	4,300	4,440
GRAND TOTAL	41,130	43,100	44,590	45,560	46,000	46,540

18.34 The analysis above relate only to Government secondary schools. There are also nearly 300 private secondary schools throughout the country, many of them very small, under equipped and badly staffed. Because of the present over-supply of secondary leavers, and because of Government's financial position, Government will extend very limited support to those schools, amounting to Shs. 2·0 million during the Plan period. The projection of secondary teacher requirements during the Plan does, however, include a provision for private schools. Government will also use its powers under the Education Act (1970) to ensure that minimum standards at these schools are maintained, and that the fees which pupils are charged are commensurate with the facilities and quality of instruction given.

18.35 Education television at present directs its programmes mainly to S1–S4 classes, but also broadcasts programmes for the primary teacher training colleges. Government is anxious to expand the scope and improve the impact of educational television. Television is extremely expensive, and one of the main justifications for its existence is its potential role in the educational system. Early in the Plan, Government will carry out a full study of the role of educational television. Any expansion of ETV will be based upon the findings of the study. At present, some inconvenience arises from the fact that ETV and UTV share the same stadio and broadcasting facilities at Nakasero. Pending the results of the study referred to above, the capital improvements at Nakasero which are planned (*see* Chapter Twenty) should facilitate the present operation of ETV.

18.36 Government is very much aware of the unacceptability of any reduction in the proportion of primary school leavers who have an opportunity for further education. Despite the freezing of S1 intakes, Government will ensure that, overall, the proportion of primary school leavers who go on for further training rises. This increase will arise mainly from the very substantial growth in primary teacher training which is planned for (*see* paragraph 18.19).

18.37 For S5 and S6, the Second Five-Year Development Plan target was to increase enrolments to 4,220 by 1971. Actual enrolments in 1971 are about 3,540 so that the Plan target has not been achieved. Following the revision of the projection of manpower requirements, however, the S5 and S6 enrolment in 1971, necessary on manpower grounds, is now estimated at 3,300. There has, therefore, also been a slight surplus in the output of E.A.A.C.E. holders, although this has not yet appeared in the form of lack of opportunities for S6 graduates, because of the very high level of intakes of Ugandans into university courses.

18.38 During Plan III, S5 intakes will be gradually increased to 2,300 by 1976. The choice of course specialisations at the S5 and S6 levels determines the relative availability of suitable entrants for the various faculties at the university. As in recent years, at least 60 per cent of entrants to the East African Advanced Certificate of Education (E.A.A.C.E.) course each year will take science subjects, which will ensure that the specialisations of those emerging with E.A.A.C.E. are consistent with the university intake requirements.

18.39 The major emphasis in secondary education during Plan III will be upon improving the quality and content of instruction. Several measures are envisaged. First, the slow growth of secondary enrolments which is planned will permit a substantial improvement in the staffing position of secondary schools. Not only will the present significant number of teacher vacancies be very largely eliminated, but it will also be possible to reduce class sizes. Table XVIII—7 shows the planned development of secondary classes and secondary class sizes. S1 intake classes will decline from their present average size of 38·5 to 34 by 1976. S1–S4 classes as a whole will, accordingly, also decline in average size, also reaching 34 by 1976. The need to reduce class size at E.A.A.C.E. level is not so pressing. There will be a slight decline, but the main improvement in the quality of instruction in S5 and S6 will arise from the elimination of staff vacancies which should allow teachers to devote more time to these classes. Further improvements will arise from the proposals in paragraph 18.43 below.

Table XVIII—7. Secondary Education: Projected numbers of Classes and Class Size

	1971	1972	1973	1974	1975	1976
Nos. of Classes:						
S1	282	282	286	301	316	332
S1–S4	1,069	1,102	1,121	1,151	1,185	1,235
S5–S6	126	133	138	143	148	153
Average Class Size						
S1	38.4	38.5	38.5	36.9	35.4	34.0
S1–S4	35.1	35.6	36.2	36.0	35.2	34.1
S5–S6	29.8	29.3	29.1	29.1	29.1	29.0
Overall pupil/teacher ratio	26.1	25.1	25.1	24.2	23.2	22.3

18.40 Secondly, responsibility for the E.A.C.E. and E.A.A.C.E. examinations is now being handed over from the Cambridge Local Examinations Syndicate to the East African Examinations Council. By the end of the Plan, almost all E.A.C.E. and E.A.A.C.E. examinations will be set and marked within East Africa. The Council, in collaboration with the East African Governments, is to evolve new syllabi for these examinations which will make them more suited to the special needs of East Africa.

18.41 Thirdly, at the E.A.C.E. level, the content of the course is now being changed to make it more practically orientated. One or more of agriculture, commerce, home economics (for girls), woodwork, metalwork and technical drawing will be offered as an E.A.C.E. course at most secondary schools by the end of the Plan. Special training courses are being mounted to provide teachers for these subjects (*see* paragraph 18.50).

18.42 A notable feature of secondary education is the comparatively poor results achieved by the day schools, particularly at E.A.C.E. level. In large part, this arises from the appalling living conditions of many of the students, who have to find their own accommodation. Although the cost to Government of day schools is substantially lower than the cost of boarding schools, this is a false economy when results are so much poorer. During the Plan, Government will take steps to improve the living conditions of pupils at these schools by providing greatly expanded hostel accommodation in the urban areas.

18.43 Apart from the shortage of teachers, the main problem at E.A.A.C.E. level is the inadequate duration of actual instruction given. At the moment, selection for E.A.A.C.E. courses is not normally completed until the beginning of the second term. The E.A.A.C.E. examinations themselves take up a large part of the final term of the course, after which students have to wait four or five months before they can be admitted to university. Thus, although the E.A.A.C.E. course is supposed to occupy six terms, in effect students receive little more than four terms of instruction. There is no doubt that the present standard of E.A.A.C.E. results would be greatly improved if the course of instruction could be lengthened. Although every effort will be made to produce the E.A.C.E. results earlier, both by bringing forward the examinations slightly, and by reducing the time it takes for marking, it will never be possible to complete selection for E.A.A.C.E. before the beginning of the first term. Government is therefore examining the possibility of shifting the E.A.A.C.E. examinations from November/December to March/April, thus giving students an extra term of tuition. Apart from the advantages for the students, this would help to stagger the marking burden for the E.A.C.E. and E.A.A.C.E. examinations.

18.44 The Government development expenditure on secondary education over the Plan period will amount to Shs. 71·0 million. Of this amount, Shs. 23·[illegible] million will be required for the planned increase in the number of S1–S4 classes; Shs. 9·0 million for the planned increase of S5–S6 classes; Shs. 8·0 million for additional space and equipment for the teaching of vocational subjects; Shs. 9·6 million for additional teachers' houses in those places where pool housing is not available; Shs. 1·0 million for providing 600 places of hostel accommodation for students in urban areas; Shs. 10·0 million for telephones, school vehicles books and miscellaneous school equipment; Shs. 2·0 million for assistance to private schools; and Shs. 8·0 million for relatively small outstanding items relating to the I.D.A. Secondary School Expansion Programme started during the Second Five-Year Development Plan. Government will also consider giving assistance to self-help efforts by students to provide additional student accommodation in urban areas. The recurrent cost to Government of secondary education will grow from an estimated Shs. 57·6 million in 1970/71 to Shs. 78 million in 1975/76.

IV. Secondary Teacher Training

18.45 There are four main sources of secondary school teachers. First, the National Teachers' College, Kyambogo, offers a three-year Grade V teacher training course. The trainees are normally E.A.C.E. holders, although there are also a few E.A.A.C.E.-qualified entrants. Secondly, there are the undergraduates education courses at Makerere which take three years and lead to a B.A. (Ed.) or B.Sc. (Ed.) degree. These courses combine study of academic subjects with professional training in education. Students attend for two extra terms during the long vacations to fit in the extra work which is required. These courses have replaced the B.Ed. course, which will be producing its last output in 1972. Makerere also offers a one-year post-graduate diploma in education, which provides for those students who take the decision to enter teaching only after completing their first degree. Finally, there is still a very large number of teachers recruited from abroad. At the beginning of 1971 there were 900 expatriate teachers, 60 per cent of the entire secondary school teaching force.

18.46 Over the Plan, the requirements of secondary teachers will grow rapidly. This growth will arise partly from the growth in secondary school enrolments. It will also arise from the need for teachers for the new vocational subjects now being introduced in secondary schools, and from the additional requirement for teachers associated with the policy of reducing class sizes. Additional teachers will also be needed to fill the substantial number of vacancies which exist at present. It is also very important to make faster progress in replacing expatriate teachers with qualified Ugandans.

18.47 Table XVIII—8 shows the projected supply and demand position for secondary teachers for government schools over the Plan. Very substantial progress in Ugandanisation is expected. The number of Ugandan teachers will more than treble, while the number of expatriates will be about 40 per cent of the present number by 1976, and will comprise less than 20 per cent of the total teaching force by that time. The reduction of the number of expatriate teachers will be selective, taking into account the qualifications, experience and cost to the Uganda Government of the various cadres which are available.

Table XVIII—8. Government Secondary School Teachers: Supply and Demand.

	1971	1972	1973	1974	1975	1976
Total requirements*	1,465	1,585	1,710	1,835	1,960	2,087
Qualified Ugandan Teachers						
Stock at beginning of year	515	691	884	1,136	1,472	1,725
Less 10 % wastage	52	69	88	114	147	173
Plus out-put during year	230	260	340	450	400	400
Equals stock at end of year	693	884	1,136	1,472	1,725	1,952
Expatriates required†	950	892	826	699	488	362

*Includes requirement for reducing class size, for increased enrolments, for special vocational subject and for the gradual elimination of staff shortages by 1976.

†Or non-qualified Ugandans.

18.48 The projection of Ugandanisation in Table XVIII—8 shows only the global picture. In fact, it appears possible that there may be surpluses of teachers in some subjects by the middle of the Plan. In most of the science and vocational subjects, however, there will be, for some years, continuing shortages whic will have to be met by the recruitment of expatriates. Overall, complet Ugandanisation of the secondary teaching force will be achieved by 1981, an the intakes projected in Table XVIII—9 will ensure that surpluses as well shortages are eliminated by that time.

18.49 As is the case for other levels of education, the supply of secondar teachers during Plan III is very largely determined already. Most of the intak into the secondary teacher training institutions during Plan III will onl emerge as teachers during the next Plan. The intake targets for Plan III a shown in Table XVIII—9. These have been determined after a careful evaluatio of the needs of government secondary schools, taking into account the prese stock of Ugandan teachers and those who are now being trained, as well providing for a resumption of growth of S1 intakes after the Plan III perio The projections in Table XVIII—9 also assume that the private seconda schools will start to employ trained teachers more widely.

Table XVIII—9. Planned intakes into Secondary Teacher Training Courses.

	1971 *Actual*	1972	1973	1974	1975	1976
KYAMBOGO:						
Arts	80	60	60	60	60	60
Science	80	60	60	60	60	60
Vocational*	25	40	40	40	40	45
TOTAL ..	185	160	160	160	160	165
MAKERERE:						
BA.Ed.†	170	130	130	130	130	130
BSc.Ed.‡	60	90	120	120	120	120
Dip.Ed. Arts†	100	60	60	60	60	60
Dip.Ed. Science‡		60	60	60	60	60
TOTAL ..	330	340	370	370	370	370
GRAND TOTAL ..	515	500	530	530	530	53

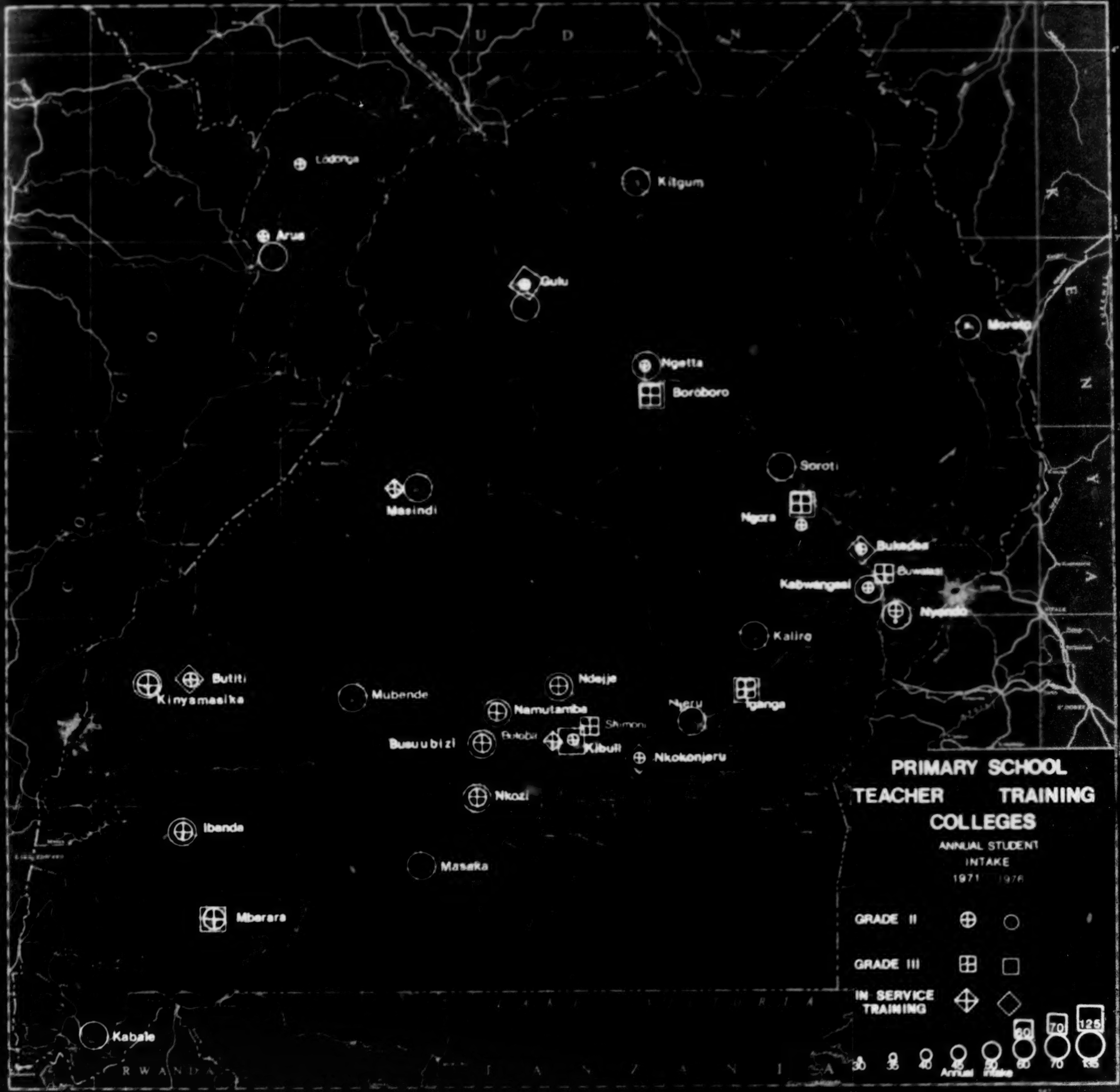
*Agriculture, commerce, home economics, woodwork, metalwork technical drawing.

†Including commerce.

‡Including agriculture.

18.50 At Kyambogo the intake was 185 in 1971. This will stabilise 160 in 1972, and enrolments will stabilise at about 480. During the Pla depending upon the impact of the proposals for raising the entry qualificatio to Makerere (*see* paragraph 18,77), consideration will be given to raising t entry requirement at Kyambogo to E.A.A.C.E. and reducing the length of t course to two years. When this change takes place, there would be spa capacity at Kyambogo since there would be no need to increase intak Alternative uses for this capacity are being explored. One possibility may to mount a course leading to a degree for Grade V teachers who have h some teaching experience and who have proved their ability. Meanwhi Grade V teachers continue to be free to apply for entrance to Maker University by the normal Mature Entry Method.

PRIMARY TEACHER TRAINING COLLEGES MAP G


S U D A N
Lodonga
Kitgum
Arua
Gulu
Moroto
Ngetta
Boroboro
Soroti
Masindi
Ngora
Bukedea
Buwalasi
Kabwangasi
Nyondo
Kaliro
Butiti
Kinyamasika
Mubende
Ndejje
Namutamba
Nsaru
Iganga
Shimoni
Busuubizi
Bulobai
Kibuli
Nkokonjeru
Nkozi
Ibanda
Masaka
Mbarara
Kabale
RWANDA
TANZANIA
PRIMARY SCHOOL TEACHER TRAINING COLLEGES
ANNUAL STUDENT INTAKE
1971
1976
GRADE II
GRADE III
IN SERVICE TRAINING
60
70
125
30
35
40
45
50
60
70
125
Annual intake

18.51 Most of the teachers of vocational subjects will be trained at Kyambogo. At present, Kyambogo offers vocational courses in craft and home economics. Intakes will rise to 40 in 1972, with the introduction of courses for teachers of agriculture and commerce.

18.52 During the Plan, development expenditure of Shs. 0·2 million will be required for a basic teaching farm for the agriculture course at Kyambogo. A further Shs. 0·8 million will be spent on staff housing, Shs. 0·3 million on a student centre, and Shs. 0·7 million on improving and expanding the demonstration school. Shs. 1·0 million is also provided for the completion of the major expansion of the college which was undertaken during the Second Five-Year Development Plan. A further Shs. 1·7 million will be spent on facilities for the teaching of vocational subject.

18.53 At Makerere, annual intakes to the post-graduate Dip. Ed. course will be 120 throughout the Plan. As far as the undergraduate courses in education at Makerere are concerned, it is necessary to achieve a complete change in the pattern of intakes to more effectively meet the shortage of science teachers, and to prevent the emergence of large surpluses of teachers of arts subjects. Intakes to the B.A. (Ed.) course were 170 in 1971; these will be reduced to a steady level of 130 a year, starting from 1972. Intakes to the B.Sc. (Ed.) course, on the other hand, will be increased substantially from 60 in 1971 to 120 in 1973, stabilising at that level.

V. The Institute of Education

18.54 The role of the Institute of Education in training teachers for the teacher training colleges has already been mentioned (paragraph 18.23). The Institute also provides refresher courses for teacher trainees. It is also involved in research of all kinds into education, and in the evolution of new curricula. All these functions are closely interrelated, and the constant contact between the Institute and the teacher training colleges provides an avenue for the implementation of the results of the Institute's investigation work. During the Plan, a full-scale Curriculum Development Centre will be established, forming an integral part of the Institute. The Centre will assume responsibility for all curriculum development activities, concentrating its attention in the first place upon the improvements in the primary school curriculum which are so urgently required (paragraph 18.12), and upon the development of new secondary school curricula. The Centre will work in close liaison with the Ministry of Education, and with the East African Examinations Council. Development expenditure on buildings and facilities for the Centre will amount to Shs. 3·2 million over the Plan. No development expenditure will be necessary for expanding the other aspects of the Institute's work.

VI. Technical and Commercial Education

18.55 One of the most serious skill shortages from which Uganda suffers is the lack of people with technical and commercial abilities of all kinds. In quantitative terms, the shortages are most acute at the middle and lower levels. In the past, little attention has been paid to the development of this kind of education. During Plan III, a high priority will be accorded to its expansion and improvement.

A. *Secondary Vocational Schools*

18.56 There are at present twelve Vocational Secondary Schools (Rural Trade Schools) which offer three years of post-primary training. Instruction is partly in general education and partly in craft skills, preparing students for entry into a variety of industrial occupations. The trades taught include carpentry, brickwork, tailoring, electrical installation, cobbling and tanning, motor mechanics and pottery. These schools fill a vital gap between the age at which most children leave primary schools and the time when they are old enough to enter industrial apprenticeships.

18.57 In the past, these schools have received little support from Government. They are all under-equipped and too small for economic operation. Early in Plan III, a rationalisation programme will be carried out. Five of the existing schools are located on sites which are too congested for expansion and they will therefore be converted for other uses. At the same time, the remaining seven schools at Kitovu, Mubende, Nyamitanga, Kabaya, Kitgum, Iganga and Madera, will be greatly expanded and improved. Intakes will grow to 560 by the middle of the Plan, stabilising at that level. Enrolments will reach 1,680 by the end of the Plan, substantially higher than the present enrolment of 1,166. Government development expenditure in respect of this expansion will amount to Shs. 15·6 million over the Plan. Recurrent costs will rise to slightly over Shs. 2·0 million by 1975/76.

B. *Technical Schools*

18.58 The five technical schools in the country offer a variety of courses, mainly of four years' duration leading to the City and Guilds Craft and Advanced Craft Certificates and to the Government Grade II Trade Test. The administration of the City and Guilds examination is currently being localised following some reorientation of the syllabi to make them more appropriate to East Africa's needs. Although the Second Five-Year Development Plan target was to increase enrolments to 1,500 by 1971, actual enrolments have reached 1,672.

18.59 Despite the considerable efforts of the technical schools in the last few years, it is quite evident that there is still a large unsatisfied demand for the products of these schools. An unsatisfactory feature of the present courses is that considerable time is spent on general education in the first two years. Another difficulty is that the facilities are inadequate and seriously overcrowded. It has therefore been decided that these schools should, in future, provide a two-year craft course, for more mature students of a minimum age of 15, and with some secondary schooling. With this new arrangement, it will no longer be necessary to concentrate, in the early stages, on general education and it will be possible to achieve a very substantial increase in the output of trained potential craftsmen. Enrolments will be stabilised at 2,000 for the five schools, and intakes and outputs will both be about 1,000, more than double the present numbers. During the Plan period, the four-year course of pre-technician training leading to E.A.C.E. will be the responsibility of the secondary schools with technical bias. As in the past, howe[illegible]r, there will continue to be room for the best graduates of the technical schools to go on to the Uganda Technical College for technician training. During Plan III, Government will spend Shs. 6·4 million on the renovation and expansion of facilities at these schools, and on the provision of additional staff houses. Recurrent expenditure will rise to Shs. 3·4 million by 1975/76.

C. *Vocational Training Centres*

18.60 The vocational secondary schools and the technical schools provide full-time courses. There is, however, also a need to provide, as an integral part of employers' training schemes, sandwich and day release courses at the craft level for those who are already in employment. During Plan III, two vocational training centres will be established to provide such courses. One of them, in Kampala, is nearing completion, and development expenditure on it during the Plan will only amount to Shs. 2·5 million. The establishment of the second centre, in Jinja, will cost an estimated Shs. 9·9 million. To start with, the centres will provide courses for apprentices, leading eventually to the Grade I Trade Test (whose standard is to be raised), as part of the National Apprenticeship Plan (*see* Chapter Six), and a variety of short refresher courses to up-grade the large numbers of craftsmen who have been in employment for some years. Later, the work of the centres may be extended to provide courses leading to other technical qualifications. The centres will operate under the auspices of an Industrial Training Board, which is to be charged with specific responsibility for industrial training and for a National Apprenticeship Programme. Further details of this Board are given in Chapter Six.

D. *Uganda Technical College*

18.61 While the secondary vocational schools, the technical schools and the vocational training centres provide training at the craft level, the Uganda Technical College now concentrates on providing a wide range of technical courses at the technician level. During the Second Five-Year Development Plan, emphasis was placed upon the development of sandwich rather than full-time courses. Sandwich courses combine periods of attendance at the college with periods at work, thus combining formal training with practical on-the-job experience. Because of this change of emphasis, enrolments in full-time courses declined slightly over the Plan from 276 in 1966 to 215 in 1971. Enrolments in sandwich and day-release courses on the other hand grew very rapidly, from 87 in 1966 to 396 in 1971. During the Second Five-Year Development Plan, actual development expenditure on the college amounted to only Shs. 2·8 million, considerably below the Plan target of Shs. 10·0 million.

18.62 During the Plan III, enrolments in some of the full-time courses will increase considerably. Overall, however, enrolments in full-time courses will grow only slightly over the Plan, to 230 in 1976. This is because four of the full-time courses will be phased out early in the Plan. The E.A.A.C.E. course which is at present offered at the college, will cease with effect from 1973/74, since this is a duplication of the courses at senior secondary schools. Secondly, in accordance with the decision to concentrate the work of the college on technician level training, the Electrical Installation Courses 'C' and the Motor Vehicle Technicians Course are being phased out. These advanced craft courses will be offered instead at some of the technical schools. Finally, the Industrial

Ceramics Certificate is being replaced with an Ordinary Diploma course on a sandwich basis.

18.63 In accordance with the policy to move as much as possible from full-time to sandwich courses, enrolments in sandwich courses will be expanded in step with the increasing demands of industry, from 323 in 1971/72 to 741 in 1975/76. Courses which require less intensive instruction and for which all the students can be drawn from places of employment in Kampala, will be run on a day-release basis with enrolments rising from 79 in 1971/72 to 106 in 1975/76.

18.64 An important development at the college will be the commencement in 1971/72 of courses to train technical teachers. This will be a one- or two-year full-time course, combining pedagogical and technical training, and is designed to provide teachers for all the technical vocational training institutions. Consideration is being given to the possibility of sharing the pedagogical part of the course with teacher trainees for commercial subjects, to help alleviate the staff shortage at the Uganda College of Commerce. Expenditure of Shs. 0·1 million will be spent at the equipment for the course.

18.65 The growth of intakes over the Plan period in each of the courses offered by the college is shown in Table XVIII—10.

Table XVIII—10. Intakes to Uganda Technical College over Plan III.

Course	Duration (months)	1971/72	1972/73	1973/74	1974/75	1975/76
FULL TIME COURSES:						
1. Electrical Installation Course 'C'	12	15	15	15	—	—
2. Motor Vehicle Technician's Work	12	15	15	15	—	—
3. Diploma in Public Health Engineering	12	20	30	30	30	30
4. Technical Teacher Training	12	20	20	20	20	20
5. High Tech. Diploma ..	24	45	45	60	60	60
6. Telecommunication Tech. Course 'A'	12	30	40	50	60	60
TOTAL Full-time ..		170*	165	190	170	170
SANDWICH COURSES:						
7. Telecommunication Tech Course 'B'	12	28	24	32	40	48
8. Telecommunication Tech. Course 'C'	6	10	16	14	19	24
9. Ord. Tech. Diploma ..	36	100	190	195	225	225
10. Ord. Science Laboratory Technicians	24	—	16	20	20	20
11. Advanced Science Laboratory Technicians ..	15	—	15	20	20	20
12. Medical Laboratory Technicians	24	16	20	20	20	20
TOTAL Sandwich ..		154	281	301	344	357
DAY RELEASE COURSES:						
13. Telecom. and Electronics Advanced Studies ..	12	10	15	15	20	20
14. Ord. Science Lab. Technicians	36	16	16	20	20	20
15. Adv. Science Lab. Technicians	24	20	20	20	20	20
TOTAL Day-Release ..		46	51	55	60	60

*Includes 25 intake for E.A.C.E. which will be phased out by 1973.

18.66 To cater for the increased enrolments, development expenditure of Shs. 8·0 million will be required over the Plan. The largest item will be expenditure amounting to Shs. 4·1 million on hostel accommodation, which requires both renovation and expansion. Staff housing will cost a further Shs. 2·9 million. Although teaching facilities are now generally adequate to cope with the proposed expansions, an additional science laboratory block is required. This, together with some minor renovations, will cost Shs. 1·0 million over the Plan. Recurrent expenditure will grow from Shs. 5·2 million in 1970/71 to about Shs. 7·6 million in 1975/76.

E. *Commercial Education*

18.67 The Uganda College of Commerce provides a wide range of commercial, business and secretarial courses. During the Second Five-Year Development Plan, enrolments in full-time courses were to be expanded to reach 500 by 1971. Actual enrolments only reached 397, and the main reason for the shortfall was the considerable delay in constructing additional facilities. These were embarked upon in 1969, and are now nearing completion.

18.68 Enrolments in full-time courses, whose length varies between three months and two years, will rise to 660 in 1976, and the total number of students passing through the college will reach 1,084. Four new types of courses will come into full operation during the Plan. First, candidates will sit the A.C.C.A. (section 5) examination for the first time in 1972 or 1973. Secondly, towards the end of the Plan, a course leading to professional final examinations in a number of commercial subjects will also be commenced. In 1971/72, a personal secretaries course will start, with intakes confined to E.A.A.C.E. and degree holders, and other very well qualified entrants. Finally, a new course in hotel and catering will be introduced at the beginning of the Plan. Enrolments in evening classes in typing, advanced shorthand and a variety of professional courses will be trebled over the Plan period. Completion of the new hostel at the college will make it possible to cater more satisfactorily for students whose homes are distant from Kampala. The development of intakes into the full-time courses is shown in Table XVIII—11.

Table XVIII—11. Intakes to Full-time courses at the Uganda College of Commerce 1971/72—1975/76

	1971/72	1972/73	1973/74	1974/75	1975/76
Professional Studies*	150	170	190	210	230
Secretarial Department†	330	350	380	460	650
Distribution, Hotel and Catering‡	84	124	144	184	204
GRAND TOTAL	564	644	714	854	1,084

*Leading to the Uganda Diploma in Business Studies; Chartered Institute of Secretaries Final; and the Association of Certified and Corporate Accountants (Section 5) examination.

†Elementary and advanced stenographers; elementary and advanced copy typists and personal secretaries courses.

‡African traders, school caterers and hotel and catering courses.

18.69 Apart from staff housing, to be constructed at a cost of Shs. 1·0 million, the facilities now available will be adequate for the expansion envisaged. Completion of the expansion programme started towards the end of the Second Plan will cost Shs. 0·6 million. Recurrent expenditure will grow from Shs. 2·5 million in 1970/72 to Shs. 3·5 million in 1975/76.

18.70 During the Plan, a new commercial college will be established in Jinja, at a cost of Shs. 1·8 million, and with an enrolment of 200. The possibility of taking over an existing private institution is being examined. The college will concentrate on basic commercial skills, such as typing, book-keeping and accounts.

VII. University Education

18.71 The Second Five-Year Development Plan saw a spectacular development of university education. The number of Ugandans enrolled in undergraduate courses in East Africa rose from 1,115 in 1966/67 to 2,470 in 1970/71. At Makerere, total under-graduate enrolments grew from 1,500 in 1966/67 to 2,638 in 1970/71, only slightly below the Plan target of 2,800. The growth of enrolments of Ugandans at Makerere was even faster, from 832 in 1966/67 to 1,839 in 1970/71. During the Plan, a variety of new courses was introduced, including technology, librarianship, forestry, music, dance and drama, statistics, commerce, law, agricultural education, psychiatry, ophthalmology, ENT, anaesthetics, post-graduate training in medicine and social work and social administration. This development culminated on July 1st, 1970, in the creation of Makerere University, Kampala.

18.72 The Second Five-Year Development Plan emphasised the need to control costs per student. The overall recurrent cost of university education was to increase from Shs. 22 million in 1966 to Shs. 52 million in 1970/71. In fact, recurrent expenditure by Government on university education (including scholarships and bursaries), has been at slightly higher level, growing from Shs. 26 million in 1966/67 to an estimated Shs. 59 million in 1970/71.

18.73 University education is extremely expensive. This is particularly true for some of the very specialised courses and for courses where student numbers are small. In future, new courses will only be started at Makerere when the enrolment required on manpower grounds is large enough to permit reasonably economic operation.

18.74 For those specialist disciplines where the needs of East Africa are sufficient to justify the establishment of a course, but where Uganda's needs alone are too small, Government will make all the necessary effort to develop them on a co-operative basis with the Universities of Nairobi and Dar-es-Salaam. In addition, Government attaches great importance to the role of Makerere University as a forum for contact and exchange of views between students of different nationalities, and particularly between students from the three Partner States of the East African Community. It is therefore Government's intention to continue and expand the practice of sending Ugandans to the Universities of Nairobi and Dar-es-Salaam to study even in those courses which are offered at Makerere, accepting at Makerere a similar number of Kenyans and Tanzanians on a reciprocal basis. Undergraduate students from outside East Africa, and particularly from neighbouring African countries, will also continue to be welcome at Makerere.

18.75 Towards the end of the Second Five-Year Development Plan, it became clear that enrolments of Ugandans in some disciplines, particularly within arts and social science, were larger than manpower needs justified. Graduates from these disciplines are already experiencing great difficulty in securing employment in any way commensurate with their qualifications and because of the increased numbers which are already in the pipeline, the situation is unlikely to improve early in Plan III. Clearly, this represents a substantial waste of resources which cannot be allowed to continue. In other disciplines, particularly in the sciences, the output of graduates is inadequate to meet requirements, and expansion is urgently necessary. The training of Ugandans at the undergraduate level during the Plan will therefore entail reduction of intakes in some disciplines and expansion in others.

18.76 In the past, it has been Government's policy to ensure that all suitably qualified candidates for entry to university secure a place. It has not always been possible to accommodate entrants in the faculties for which they are most suitably qualified because there have been physical limitations on the number which can be accepted, particularly for some science courses. As a result, enrolments in courses where the physical limitation is not so serious, and particularly where laboratory space is not required, have expanded most rapidly. The present surplus of graduates, in arts subjects in particular, has arisen from the operation of these factors at Makerere.

18.77 In future, admission to Makerere University will not be automatic for those fulfilling some basic academic requirements. Instead, future intakes are to be related to manpower needs. Entry into each faculty will depend upon the availability of intake places, and only the best qualified candidates will be selected. For some faculties, where the number of places is limited and where there are large numbers of applicants, it is to be expected that the qualifications of successful candidates will be well above the minimum required. Although this new policy will make it more difficult for S6 leavers to secure a university place, it will have a very favourable impact on the quality of university entrants and on the standards attained at Makerere.

18.78 The planned intakes of Ugandans into undergraduate courses within East Africa is shown in Table XVIII—12. Following the implementation of Government's new intake policy on minimum entrance requirements for undergraduate courses, intakes of Ugandans into the East African universities will fall from 1,149 in 1971/72 to 930 in 1972/73, and will then grow gradually to 1,100 in 1975/76. The intake figures in Table XVIII—12 are based upon the results of the revision of the projections of the 1967 Manpower Survey, and upon an assessment of the current supply and demand position for the output of each faculty.

18.79 The projected intakes in Table XVIII—12 will be revised in the course of the Plan. The planned 1972 Manpower Survey and Projections (*see* Chapter Six) will provide the basis for revision.

Table XVIII—12. Planned intakes of Ugandans into Undergraduate Courses within East Africa, 1971/72—1975/76

FACULTY	1971/72	1972/73	1973/74	1974/75	1975/76
Arts and Social Science excluding Commerce*	293	150	160	160	170
Commerce	99	70	70	80	80
Law	37	60	60	70	70
Science*	198	130	140	150	160
Education†	231	220	250	250	250
Agriculture, excluding Forestry ..	61	60	60	60	60
Forestry	7	5	5	5	5
Medicine‡	90	100	110	120	130
School of Fine Arts	21	20	25	30	30
Technology	57	60	65	70	75
Veterinary Science	41	40	60	60	60
E.A. School of Librarianship ..	8	8	8	8	8
Architecture	6	6	6	6	6
TOTAL Ugandan Undergraduate Intakes	1,149	929	1,019	1,069	1,104
Of which those at Makerere § ..	1,073	740	820	880	890

*Excluding those entering for the BA.Ed and BSc.Ed. degree.

†Excluding intakes into the postgraduate Dip.Ed. course (*see*. Table XVIII—9).

‡NOTE:—even if the planned growth of intakes for medicine is achieved it will still be necessary to send students abroad for undergraduate training in medicine during the Plan.

§1971/72 actual; 1972/73–1975/76 tentative estimates, depending on the number of Ugandans who go to the Universities of Nairobi and Dar-es-Salaam on a reciprocal basis.

18.80 The figures in the Table XVIII—12 relate to the intake of Ugandans to the three East African universities. At Makerere, the intake in 1970/71 totalled 1,256, of which 1,073 were Ugandan, 107 were Kenyan or Tanzanian and 76 were from outside East Africa. By 1975/76, assuming some expansion of reciprocal arrangements with Kenya and Tanzania, the intake of Ugandans to Makerere will be about 900. In this case about a further 200 Ugandans will enter the Universities of Nairobi and Dar-es-Salaam, and a similar number of Kenyans and Tanzanians will be admitted to Makerere. Overall, intakes to Makerere will therefore be rather above 1,150 in 1975/76, and the total undergraduate enrolment will be about 3,300.

18.81 There is no accurate data on the number of Ugandans studying for first degrees outside East Africa. With the establishment of new scientific faculties at Makerere, the number is expected to fall sharply in the course of the Plan. The number studying for degrees abroad on Government scholarships or sponsored by foreign governments will fall by at least one-half over the period of Plan III.

18.82 The quality of university teaching and research are inextricably interrelated, and Makerere University will only make its full contribution to society if a high level of attainment is achieved in both these fields. In the past, Makerere has been criticised on the grounds that much of its research work has had little or no relevance to the needs of Uganda. Much of the problem has been the difficulty of communication between research workers and the potential users of research results. The membership of the National Research Council, set up late in the Second Five-Year Development Plan (*see* Chapter

Twenty-one), includes among others, research and teaching staff from Makerere as well as representatives of some of the main users of the results of research work. The Council is preparing comprehensive guidelines for the development of research activity in all the faculties and institutes of the University, and it is expected that, in future, such research will more closely relate to the solution of practical problems facing Uganda. Government will give increased financial assistance to research at Makerere through support of individual research projects sponsored by the National Research Council.

18.83 Another cause of the irrelevance of research at Makerere in the past has been that much of it has been carried out by expatriate staff. There is a very great need to encourage research by Ugandans, which itself will contribute substantially to the training of Ugandans for the highest academic posts. Government has therefore decided that it will award, every year, a substantially increased number of advanced post-graduate research fellowships to Ugandans at Makerere. Selection for these awards will be carried out by the University Council. Post-graduate enrolments will rise to 400 by the end of the Plan.

18.84 The Faculty of Technology accepted its first intake of 26 in 1970/71. Over the Plan, intakes will grow to 75 and total enrolments to about 300. Initially, two departments are to be established in the Faculty: a Department of Civil Engineering and a Department of Electro-Mechanical Engineering. The Faculty will provide a four-year course, of which the first two years will consist of general scientific courses and the remaining two years of specialist courses in either of the two departments. Part one of Phase I, the mechanical engineering block, will be constructed at a cost of Shs. 10·8 million, and part two of the phase, the civil engineering block will be constructed at a cost of Shs. 9·1 million. Phases II and III of the construction programme will be carried out during Plan Four.

18.85 The new Faculty of Veterinary Science has accepted its first undergraduate intake of 20 for the 1971/72 academic year. Intakes will grow to 60 by 1973/74, stabilising at that level, and enrolments will reach about 230 by the end of the Plan. The Faculty will accommodate eight departments in all. Development expenditure on the construction of the technical and clinical teaching facilities will amount to Shs. 23·1 million over the Plan.

18.86 Within the Faculty of Arts and Social Sciences, a Department of Commerce has been established, and the first full intake of 110 was accepted in 1970/71. During the Plan, a new block to accommodate this department, as well as the Faculty of Law and the Department of Geography, will be constructed at a cost of Shs. 3·5 million.

18.87 The Department of Forestry, within the Faculty of Agriculture, also started operation in 1970/71, with an intake of 24. This department has been established to serve the entire Eastern Africa region. Total intakes will be about 25 each year, of which there will be five Ugandans. Extensions to the Faculty of Agriculture, including accommodation for the Department of Forestry, and teaching and research facilities at Kabanyolo, will be completed during the Plan at a cost of Shs. 1·7 million.

18.88 Apart from expenditure to accommodate these newly established faculties and departments described above, further expenditure will be necessary during the Plan to provide for the expansion of other faculties and departments. Expansion of the teaching facilities at the Medical School at Mulago is urgently necessary, both to reduce the present excessive over-crowding in some departments, such as paediatrics, and to provide for the establishment of a new Department of Ophthalmology. At present, the pressure of normal curative work which Mulago faces causes a serious shortage of bed-space which can be devoted to teaching, research and specialist curative uses. This difficulty is having a serious impact on the quality of teaching which can be provided at the hospital. During the Plan, however, when the Kampala District Hospital is completed, Mulago will be relieved of its present routine curative work, and will thus be enabled to perform better its true role as the national reference and teaching hospital. Teaching facilities in the Medical School will be provided at a cost of Shs. 25·0 million. Shs. 1·7 million is also required for the completion of an extension to the Pathology Building which was started during the Second Five-Year Development Plan.

18.89 The Faculty of Science also requires expansion, and this will cost Shs. 2·0 million over the Plan. Shs. 2·0 million will be spent on improvements to the Faculty of Education. In order to enable the Centre for Continuing Education to expand its Adult Education Programme very substantially over the Plan, Shs. 4·0 million will be spent on facilities for the centre at Makerere and a further Shs. 2·0 million on its branches in various parts of the country. Buildings for the East African School of Librarianship are now being constructed and an expenditure of Shs. 0·6 million during Plan III will be needed for their completion. The University Library, which is the National Reference Library is now being extended. Expenditure on this expansion during Plan III will amount to Shs. 1·5 million. Completion of office accommodation and general teaching facilities commenced during the Second Plan will cost Shs. 0·1 million.

18.90 There is need to improve facilities available for students at Makerere. During the Plan, a University Centre will be constructed at a cost of Shs. 3·0 million. Sports facilities will also be improved at a cost of Shs. 1·0 million.

18.91 Early in the Plan, the new men's and women's hostels will be completed, expenditure during the Plan amounting to Shs. 2·0 million. Completion of these hostels will relieve the present acute shortage of undergraduate accommodation. Since undergraduate enrolments will only grow slowly over the Plan, undergraduate accommodation now available or under construction should be sufficient for the next five years, although it will still be necessary for students to share rooms originally designed for single occupation. Minor improvements to the existing halls of residence will, however, be required at an estimated cost of Shs. 0·5 million over the Plan. It is also necessary to extend the Medical School Hostel at Mulago, and this will be carried out at a cost of Shs. 1·0 million. There is a need to provide additional accommodation for the greatly expanded number of post-graduate students which is planned, and a 100-room hostel for such students will be constructed at a cost of Shs. 3·0 million. A similar hostel was substantially completed during the Second Plan, and Plan III expenditure for its completion is estimated at Shs. 0·3 million. To remove the present backlog, and to provide the additional accommodation needed for the staff of the new faculties and departments, eighty senior staff houses will be built at a cost of Shs. 7·5 million. It is also necessary to provide housing for essential ancillary staff, close to Makerere. One hundred units of such housing will be constructed, costing Shs. 4·0 million over the Plan.

18.92 Total development expenditure on Makerere University will amount to Shs. 103·4 million over the Plan. Recurrent expenditure on the University excluding student bursaries will grow from an estimated Shs. 30·4 million in 1970/71 to over Shs. 47 million in 1975/76. It will not be possible to avoid an increase in the recurrent cost per student at Makerere, both because of normal inflation and because the increase in enrolments over the Plan will be concentrated in high cost faculties. A substantial effort will thus be necessary to keep recurrent expenditure within the Plan figure.

18.93 In recent years there have been deficiencies in Government's financial control over Makerere. The strengthening of purely financial control is necessary to ensure that the overall development of Makerere is in line with national priorities. In future, Makerere will be required to prepare each year an annual plan, relating both recurrent and development expenditure proposals, however financed, to planned intakes and enrolments. Approval of this plan by Government will form the basis for Government's budgetary allocation to Makerere each year.

18.94 Investigations are now being carried out concerning the establishment of a second University in Uganda. The University, which would be based outside Kampala, would concentrate on courses not at present offered at Makerere, particularly those of a professional nature which are justified by the manpower needs of the country and which would be economical to establish. These latter considerations will also determine the appropriate size of the University, which, in turn, will determine the capital and recurrent costs of the University.

VIII. Scholarship Policy

18.95 In the past, Government has provided bursaries for all forms of post-E.A.C.E. education in Government institutions. This practice will continue during the Plan. Government has also provided scholarships for study outside Uganda to meet manpower requirements for which appropriate training is not available within the country. During the Plan, this policy will continue. Government scholarships for study abroad will only be granted to appropriately qualified candidates when there is a clear manpower need to be filled and where there is no appropriate course available within Uganda. The only exception will arise under exchange programmes whereby Government sponsors students for courses outside Uganda and a similar number of foreign students are sponsored for the same course of study within Uganda. The exchange of students between the universities of Makerere, Nairobi and Dar-es-Salaam will be the most important programme in this regard.

18.96 Many of the scholarships for overseas study have in the past been for university education. With the establishment of the new courses at Makerere University, the number of students sponsored by Government for overseas study will decline sharply during the Plan. Expenditure on scholarships for study within East Africa is expected to grow from an estimated Shs. 21·9 million in 1970/71 to Shs. 31·0 million in 1975/76. By 1975/76 expenditure on overseas scholarships should be about one-half of the 1970/71 level of Shs. 6·7 million.

IX. Other Issues in Educational Development

18.97 Early in the plan, Government will review teachers' salaries. A part of the review exercise will be to relate teachers' salaries to salaries within the Civil Service, following the establishment of the Teachers Service Commission. The possibility of integrating teachers' salaries into a unified scale, with entry and promotion points depending upon qualifications and experience, is also being examined. For some of the specialised teaching posts, there is a need to relate salaries more to those prevailing within the profession, from which the teachers are usually drawn than to other salaries within the teaching profession, and the review will take account of this need. Overall, the recommendations resulting from the review will be framed within the context of Government's incomes policy.

18.98 Steps are now being taken to improve the staffing position within the Ministry of Education. A special programme to train staff is to be mounted, and increasing numbers of staff will be sent overseas for specialised instruction for varying lengths of time. The Planning Unit is to be expanded and strengthened.

X. Summary of Government Expenditure

18.99 Government recurrent expenditure on Education will grow by about 8 per cent per annum over the period of Plan III, and will reach a level of Shs. 398·2 million by 1975/6. Table XVIII—13 classifies expenditure to correspond to the computerised presentation of the Ministry of Education's recurrent budget.

Table XVIII—13. Summary of Recurrent Expenditure on Education
(net of appropriations-in-aid)

Shs. million

	1970/71 Approved Estimates	1975/76
Primary Education	119·3	163·7
Teacher Training (Primary and Secondary)	19·1	47·5
Secondary Education	57·6	78·0
Technical, Commercial and Vocational Education (excluding Vocational Training Centres)	13·4	16·7
Higher Education	59·4	80·0
All others	10·9	12·3
GRAND TOTAL—MINISTRY OF EDUCATION ..	279·7	398·2

18.100 Plan III Government development expenditure on the projects described in this Chapter amounts to Shs. 339·6 million, and is summarised by major programme in Table XVIII—14.

Table XVIII—14. Education: Government Development Expenditure*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	PRIMARY EDUCATION DEVELOPMENT PROGRAMME		8·0	6·7
18–2	Primary Education—Development Classes ..	ME	6·0	6·0
18–1	Primary Education in Karamoja	ME	2·0	0·7
	PRIMARY TEACHER TRAINING DEVELOPMENT PROGRAMME		97·8	87·8
18–3	Improvements and expansion of existing PTT Grade II Colleges	ME	35·2	35·2
18–4	New PTT Grade II Colleges	ME	50·0	40·0
18–5	Renovation of PTT In-Service Colleges ..	ME	2·4	2·4
18–6	Expansion and Improvement of PTT Grade III Colleges	ME	10·2	10·2
	SECONDARY EDUCATION DEVELOPMENT PROGRAMME		71·0	39·5
18–7	Secondary Education—New Classes (S1–S4)	ME	23·4	0·9
18–48	Secondary Education—New Classes (S5–S6)	ME	9·0	9·0
18–8	Secondary Education—Facilities for Vocational Subjects	ME	8·0	4·0
18–9	Secondary Teachers' Houses	ME	9·6	6·6
18–10	Hostels for Secondary Students in urban areas	ME	1·0	1·0
18–11	Secondary Education—Miscellaneous Items	ME	10·0	10·0
18–12	IDA—Secondary Schools Project ..	ME	8·0	8·0
18–13	Assistance to Private Secondary Schools ..	ME	2·0	—
	SECONDARY TEACHER TRAINING DEVELOPMENT PROGRAMME		4·7	4·4
18–14	NTC—Demonstration Farm	ME	0·2	0·2
18–15	NTC—Staff Housing	ME	0·8	0·8
18–16	NTC—Student Centre	ME	0·3	—
18–17	NTC—Demonstration School	ME	0·7	0·7
18–18	NTC—Completion of student accommodation	ME	1·0	1·0
18–52	NTC—Vocational Subjects	ME	1·7	1·7
	CURRICULUM DEVELOPMENT PROGRAMME ..		3·2	3·2
18–47	Curriculum Development Centre ..	ME	3·2	3·2
	TECHNICAL AND COMMERCIAL EDUCATION DEVELOPMENT PROGRAMME ..		45·5	35·0
18–19	Expansion and Improvement of Secondary Vocational Schools	ME	15·6	8·8
18–20	Expansion and Improvement of Technical Schools	ME	6·4	5·1
18–21	Completion of Vocational Training Centre, Kampala	ML	2·1	2·1
18–22	Vocational Training Centre, Jinja ..	ML	9·9	9·9
18–53	UTC—Equipment for Technical Teacher Training	ME	0·1	0·1
18–23	UTC—Hostel Accommodation ..	ME	4·1	4·1
18–24	UTC—Staff Housing	ME	2·9	2·3
18–25	UTC—General Teaching Facilities ..	ME	1·0	1·0
18–26	UCC—Staff Housing	ME	1·0	1·0
18–44	UCC—Completion of General Expansions and Improvements	ME	0·6	0·6
18–56	New Commercial College, Jinja	ME	1·8	—
	UNIVERSITY DEVELOPMENT PROGRAMME		103·4	64·3
18–27	Faculty of Technology—Part I of Phase I ..	ME	10·8	10·8
18–55	Faculty of Technology—Part II of Phase I	ME	9·1	9·1
18–28	Faculty of Veterinary Science—Phases I and II	ME	23·1	23·1
18–29	Makerere—Teaching block for Commerce, Law and Geography	ME	3·5	—

Table XVIII—14. Education: Government Development Expenditure—*continued*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
18–30	Makerere—Faculty of Agriculture	ME	1·7	1·7
18–31	Medical School—Pathology Building	ME	1·7	1·7
18–32	Medical School—Teaching facilities for Paediatrics and Ophthalmology	ME	25·0	4·5
18–33	Makerere—Facilities for the Faculty of Science	ME	2·0	—
18–34	Makerere—Facilities for the Faculty of Education	ME	2·0	—
18–37	Makerere—School of Librarianship	ME	0·6	0·6
18–38	Completion of Makerere University Library	ME	1·5	1·5
18–50	Makerere—Offices and General Teaching Facilities	ME	0·1	0·1
18–39	Makerere University Centre	ME	3·0	—
18–40	Sports Facilities at Makerere	ME	1·0	—
18–41	Makerere—Completion of Men's and Women's Halls of Residence	ME	2·0	2·0
18–51	Makerere—Completion of post-graduate hostel	ME	0·3	0·3
18–42	Makerere—New post-graduate accommodation	ME	3·0	3·0
18–43	Makerere—Minor improvements to existing halls	ME	0·5	0·5
18–44	Medical School Hostel	ME	1·0	1·0
18–45	Makerere—Senior Staff Housing	ME	7·5	2·8
18–46	Makerere—Essential Ancillary Staff housing	ME	4·0	1·6
	ADULT EDUCATION PROGRAMME		6·0	6·0
18–35	Centre for Continuing Education—Makerere	ME	4·0	4·0
18–36	Centre for Continuing Education—Other centres	ME	2·0	2·0

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* The relationship between the bank and high priority allocation to each project is explained in Chapter Eight (paragraphs 8.7—8.10). The system of code numbers associated with each project is described in Appendix I.

† ME = Ministry of Education.
ML = Ministry of Labour.

Chapter Nineteen

HOUSING

19.1 Housing is a facility which relates to basic human needs and yet requires heavy capital investment, not only in the houses themselves but also in the infrastructure of ancillary services—roads, water supplies, sewerage, electricity, etc. The need for housing is determined by the growth and structure of the population. The effective demand for housing, however, is determined by the level and growth of incomes, the proportion of income which families are willing to spend on housing, the availability and conditions of institutional credit finance for house construction and purchase, and the price at which housing is provided. Housing not only meets an elementary life requirement, it also provides a major source of employment since housing construction is a relatively labour intensive activity. An expansion of housing investment also stimulates activity in industries producing such items as timber, plywood, cement, bricks, corrugated iron sheets, sanitary ware, furniture, and other input requirements. Finally, due to the universal and compelling nature of the needs satisfied by housing, the promotion of housing construction is a reliable means of mobilising more vigorous community participation in the national saving and investment effort. In the light of all this, housing is considered to be an essential component of economic and social development, not merely a by-product of such development.

I. Housing in Rural Areas

19.2 In the rural areas of Uganda houses are scattered, each family building its dwelling unit on its own farm. The typical structure varies considerably in the several regions of the country, reflecting differences in income levels, environmental factors, and social practices and attitudes. The use of traditional construction materials (mud, wattle, thatch) and techniques is still predominant, although construction with cement blocks, murram bricks, corrugated iron roofs, and other non-traditional materials and parts is growing. There is also an observable increase in houses built to modern designs. Rural housing improvement depends vitally on two factors—farm incomes and the awareness on the part of the rural population of the desirability of improving their housing conditions. The problem is thus basically one of economic growth and cultural transformation in the rural areas. An additional problem arises from the dispersed pattern of settlement. While this reduces the problem of sewerage disposal, it makes the provision of water and power facilities very expensive.

19.3 In view of the magnitude of the task involved in effecting housing improvements in rural areas, Government efforts in this regard must, to a large extent, be in the form of promotional measures. As a new approach to the problem, the Second Five-Year Development Plan called for the establishment of a housing advisory and demonstration service to assist farmers to improve their houses. However, the only progress made under this programme was the preparation and distribution of a very limited number of simple house designs. This has had virtually no impact on the housing situation in rural areas. Apart from the inherent difficulties of organising an advisory service as conceived in the Plan, its implementation came up against insurmountable problems of staff shortages. For the future, Government will continue to develop and disseminate standardised housing designs appropriate to the needs and resources of the rural population, and will render whatever other technical assistance it can marshal for rural house building activity. However, primary reliance will be on the propagation of an increasing awareness among the people of their true needs in this area with the expectation that this will stimulate the necessary self-help effort by the people themselves. The Community Development Programme is to remain the main vehicle for this stimulation of interest and mobilisation of self-help resources. The annual home improvement competitions, which emphasise the promotion of sanitary standards, will be continued during Plan III. In addition, Government will assist in the creation of housing co-operatives (in rural and urban areas) whose main function would be to secure and administer credit for the purchase of essential inputs, such as window frames, doors, sand and cement. It must, however, be noted that such co-operatives (as any other institutional innovation in this field) can only function effectively if farmers cultivate a real desire for improving their living conditions, and if they earn above a certain level of cash incomes. This highlights the important role of the measures taken under the Community Development Programme, and the crucial relevance of the proposals, described in other chapters, for the development of rural production. The borehole drilling programme described in Chapter Sixteen is another Plan III measure aimed at improving rural living conditions

II. Housing in Urban Areas

19.4 The problem of providing adequate housing is much more intractable in urban areas. The rapid growth of urban populations (discussed in Chapter Seven), the physical limitation of space, and the absence of traditional materials such as those used in rural house building, are only part of the problem. The concentration of population makes the provision of expensive clean water and sewerage facilities imperative, if major public health scourges are to be avoided. Land prices are high and rising, and the standards normally set for housing construction push building costs upwards. The general picture, therefore, is one of high building costs, expensive ancillary services, high rents, and, consequently, a large section of the urban population inadequately housed. Many of these latter, normally in the lower-income brackets, therefore, settle in areas just outside the urban authority boundaries, where they live in conditions commensurate with their means but far from adequate from the health and social points of view. Moreover, due to the general enlargement of the statutory boundaries of urban areas in recent years, a large number of the "peri-urban slum areas" are now located within the territorial jurisdiction of urban authorities. Others of the low-income dwellers resort to sharing housing facilities to a degree that is almost as hazardous to health as conditions in the "slums".

19.5 Urban housing needs over the Plan III period can be estimated in a rough overall way on the basis of projected urban population growth. The population of towns and urban areas with over 2,000 inhabitants increased at an annual average growth rate of over 7·5 per cent between the 1959 and 1969 Censuses to a total of 665,000. If this rate of growth is maintained, by 1976 the urban population will have swollen to 1·1 million, an increase of 470,000 over the seven years, and of about 360,000 over the Plan III period. Assuming an average household size of about four persons, the total requirement of additional housing units can be roughly estimated at 80,000–100,000 (an average of 16,000–20,000 per year) over the Plan III period. This is an estimate of only the requirement for housing to cater for the growth in the urban population, before anything is done to alleviate the existing backlog of unsatisfied demand, and without taking into account requirements for replacing dangerous or otherwise undesirable houses.

19.6 On the basis of all available indications, it appears certain that the increase in the stock of urban housing of all categories has not kept pace with the growth in the demand for such housing. This implies that the overall housing situation in the towns has deteriorated over recent years; and it seems likely that the deterioration has been worst in respect of low-income housing. There is thus a sizeable backlog of housing demand which is not currently satisfied and which affects the desired level of housing construction activity in the future as much as future growth of demand does.

19.7 Using graduated tax assessment returns, it is possible to derive some idea of the distribution of the urban population by income categories in order to indicate the likely pattern of demand for various grades of housing. The breakdown of graduated tax payers by income group, in 1969, is given in Table XIX—1 below.

Table XIX—1. Income Distribution of Graduated Taxpayers in Major Towns: 1969.

Annual Income (Shs. per annum)	Percentage of Total No. of Taxpayers	Maximum Monthly Expenditure on Housing (Shs. per month)
Less than 500	6·0	8
500—1,000	10·3	17
1,000—2,000	28·0	33
2,000—6,000	34·0	100
Over 6,000	21·7	

19.8 Assuming that the distribution of urban households by income groups corresponds to the pattern in the table above, it can be concluded that about one-half of urban household units cannot afford to pay more than Shs. 30 per month on housing, most of them much less. A monthly housing expenditure of Shs. 100 per month is the maximum that 80 per cent of urban households can afford. Those who can afford to buy or rent a "standard" house (costing about Shs. 300 per month to rent) are a very small fraction of the total urban population, five per cent at the very most. These characteristics of urban housing demand are likely to persist in the foreseeable future, and they do, together with the forecast growth in urban population and the size of the present housing shortage, provide the reference frame for Government's urban housing policy.

19.9 In the future, Government's efforts will be primarily directed at relieving the housing burden of the lower-income groups. These constitute the vast majority of the urban population, and they are the least capable of adequately catering for themselves in this regard. Government, however, also fully recognises its responsibilities in connection with the housing needs of other income groups and will take appropriate steps to ease the situation in this area. Government action on urban housing will consist primarily of measures to reduce building costs and to stimulate private housing enterprise and self-help efforts. There will also be reforms in the relevant administrative and other institutional arrangements, to facilitate the financing, building and acquisition of houses, and to promote a generally healthier housing market and housing construction industry. In addition, a programme to construct additional housing units and associated facilities will be undertaken directly by Government and other public bodies. This programme is basically intended to complement private efforts, and its size is determined principally by the volume of prospective financial resources available to the public sector. Although, in the following paragraphs, minimum specific Government development expenditure proposals have been made for particular purposes, for the public sector as a whole, the Plan III housing programme is conceived to be fairly flexible, since its exact magnitude will depend very largely on the ability of urban authorities and the National Construction Corporation to raise, with Government assistance, suitable finance in the credit market.

19.10 As has been stated previously, only a very small proportion of the urban population can afford to rent or own what may be termed as a 'standard' housing unit. This situation reflects not only the preponderance of very low income earners but also the relatively high cost of house building. It is totally unrealistic to imagine that, in the foreseeable future, such changes in these two variables would occur as to significantly increase the capability of the low income earners (80 per cent or so of total urban households) to own or rent standard housing. The really relevant housing for this group must be conceived in terms of simple single rooms and improved traditional housing units with much less than "standard" facilities, that is, in terms of "shelter programmes". Government schemes to promote this type of housing in the future are intended to generate the widest possible spread of benefits from the expenditure involved.

19.11 The major urban housing programme that was envisaged for Government during the Second Five-Year Development Plan was the establishment, in Kampala, Jinja and selected minor towns, of pilot housing schemes incorporating low income core houses, demonstration houses in traditional materials, serviced plots, and community amenities. Apart from the preparation of detailed plans for the proposed unit at Ntinda (Kampala), no other work was carried out on this entire programme. During Plan III, Government will start and complete the development of the Ntinda project, at a cost of Shs. 8·0 million. Seven hundred housing units will be provided on the project, but it is expected that the scheme will have a much greater impact on the housing situation through its demonstration effect.

19.12 In addition, Government will assist a sizeable programme of site and service development by urban authorities. The sites will be provided with roads, sewerage, surface drainage, water and electric power connections, and, in some instances, foundations. Under conditions designed to ensure that the lowest income groups secure the benefits of Government's support for the programme, the serviced sites will be made available to families, housing co-operatives and private landlords for the construction of housing units. During Plan III, Government will provide Shs. 20·0 million (through the Local Authorities Loan Fund) towards the financing of this programme, and the target is to develop at least 10,000 sites during the Plan period. Outside this programme, Government will make greater efforts to secure soft-terms financing to urban authorities for the construction of low- and middle-income rental units, especially in the Kampala and Jinja-Bugembe areas. Financing on fairly easy terms is essential if the urban authorities are to be able to charge moderate rents without unduly burdensome subsidies.

19.13 The National Housing Corporation (N.H.C.), established in 1964, is intended to be Government's main agency operating in the housing industry. During the Second Five-Year Development Plan, the Corporation was expected to construct over 6,300 low-income and 600 middle- and upper-income housing units for sale and rent, in all important urban areas of the country. The Plan also called for the development, by N.H.C., of the Kireka Satellite Town and the Nakasero High Density Housing Scheme. By the end of 1970, the N.H.C. had completed the building of 1,200 new housing units in total, and had another 1,700 units under construction, the bulk of the latter at Wandegeya and Bugolobi in Kampala. Although this was the state of affairs before the end of the Second Five-Year Development Plan, it points to a significant failure to achieve the Corporation's Plan targets. Table XIX—2 gives the geographical distribution of units which were to be built by the N.H.C. during the Second Five-Year Development Plan and compares this with actual construction work as at the end of 1970.

19.14 Apart from the initial Government grant of Shs. 6·0 million to the N.H.C., with which the Corporation built their first 300 units, only limited Government financial assistance has been made available to the N.H.C. The Corporation has therefore had to have recourse to the private market for credit. This credit has been secured on strictly commercial terms, with repayment periods of five to eight years. This, in turn, has affected the rents which the N.H.C. charges, as rental income has had to cover loan repayments. As a consequence of limitations imposed by financing arrangements, the strategy of the N.H.C. has generally been to concentrate on middle- and upper-income housing until total rental incomes permitted more attention to be paid to low-income housing programmes. It is also relevant to note that a substantial proportion of the units built by the N.H.C. have been rented by Government and parastatal bodies to add to the housing pool available to civil servants and other public servants in the upper-income range. Although the law empowers the N.H.C. to erect houses for sale, and the Second Five-Year Plan specifically envisaged that this would be a feature of the Corporation's programme, various factors did not permit the Corporation to engage in this line of activity.

Table XIX—2. Second Five-Year Development Plan: Housing Units Planned and Built by N.H.C.*

LOCATION	NO. OF UNITS	
	Planned†	Built
Arua ..	77	16
Bombo	75	—
Entebbe	—	75
Fort Portal	115	—
Gulu ..	96	20
Hoima	81	20
Jinja and Njeru	2,967	200
Kabale	85	10
Kapchorwa	21	—
Kampala	3,529	2,398
Kasese	75	—
Kitgum	4	4
Lira ..	81	8
Masaka	75	—
Mbale	95	24
Mbarara	78	42
Moroto	75	—
Moyo ..	27	
Mpigi	36	—
Mubende	36	—
Soroti	73	26
Tororo	762	32
Experimental Units	—	8
TOTAL ..	8,463	2,883

*Including units as under construction at the end of 1970

†Building Programme of N.H.C. as published in "Second Five-Year Development Plan 1966/67–1970/71, Supplement of Projects"

19.15 As stated in Chapter Eleven the N.H.C. will be transformed into the National Construction Corporation (N.C.C.). The N.C.C. is to remain a prominent institution in the housing market, undertaking a continually expanding programme of house construction for all levels of income, with appropriate emphasis on low income housing. The rental policy of the Corporation will be such that rents from high-income housing are available for subsidising lower income tenants without prejudicing the financial capacity of the Corporation to undertake new programmes. In order to facilitate this, N.C.C. must have access to a greater volume of funds on easier terms than has been the case in the immediate past, and efforts will be made in this direction. On its part, Government will provide an additional Shs. 20·0 million to increase the capital resources of the Corporation during Plan III. This should significantly boost the capacity of N.C.C. to raise new finance from other sources and thus expand its construction programme considerably. The scale and details of total N.C.C. house building activity during Plan III, based on a careful assessment of financial prospects, are in the final stages of preparation. Even now, however, it can be stated that the Corporation's programme over the next five years will represent an endeavour substantially in excess of what was achieved during the Second Five-Year Development Plan. N.C.C. will be given greater freedom to sell its housing units, under tenant purchase arrangements. About 350 houses will be built under this programme every year throughout the Plan period.

19.16 Despite all efforts on the part of the public sector, the lowest income groups will continue to be housed predominantly in owner-built and rented quarters in those urban and peri-urban areas where rigid building regulations do not apply, or apply only nominally. The conditions in most of these areas are deplorable and call for some urgent improvement. Government's main action in these "slums" will be the provision of expanding sewerage facilities and free standpipe water supplies (*see* Chapter Sixteen), to avert health hazards and to generally reduce the misery of life in these areas. It is Government's view, however, that the totally inadequate volume of housing for the lowest income earners in urban areas is a more pressing problem than the substandard quality of such housing which is available. In view of this, Government will undertake slum clearance schemes only if, simultaneously, there is at least an equivalent quantity of alternative low-income housing being provided to the residents of the area to be cleared.

19.17 During Plan III, the market for middle- and high-income urban housing is estimated to require 3,000 to 4,000 new units every year excluding requirements for replacement. This estimate is based on the Kampala Master Plan, adjusted to take account of the requirements in other urban areas. As indicated already, the sites and services programme, as well as the activity of N.C.C., although basically oriented towards low-income housing, will also in some part cater for the needs of the middle- and high-income urban residents. It is for these groups that all "standard" housing to be developed by Government and other public bodies is intended. In particular the provision made in Chapter Twenty-one for the erection of new staff houses for entitled and eligible public officers, and in other Chapters for Government institutional housing units, will go an appreciable way towards meeting demand for this class of housing. However, as in the case of low-income housing, and proportionately more so, the main burden for housing this category of person will fall on private landlords and self-help.

19.18 A considerable amount of private house building has occurred during the Second Five-Year Development Plan. It is impossible to make a quantitative estimate of the volume of work which has been undertaken. However, the activity which is observable in the production of cement blocks and actual house erection, especially in and around Kampala, points to a considerable expansion n private housing construction. Some of this is undertaken by parastatal and private enterprises for the housing of their staff (usually only those in the upper-ncome groups), but the great bulk represents self-help efforts by middle- and upper-income people. This latter takes place mostly in the peri-urban areas nd is largely unrecorded. Private house construction activity of this type is xpected to expand considerably during Plan III, and Government will ssist this expansion mainly through measures to improve the functioning of he housing market.

III. General Housing Policies and Practices

19.19 One prominent feature of the market for middle- and upper-income ousing is the widespread practice of employers, including Government and ther public bodies, providing staff housing as part of the conditions and terms of employment. This practice raises questions pertaining to social justice and to the burden on public finances. Of more relevance to the subject of the present Chapter, however, is the discouraging effect which the provision of heavily subsidized housing to upper-income staff has on the private housing market. As noted in Chapter Twenty-one, a review of Government policy on the housing of its staff is to be undertaken during Plan III. Depending on the results of this review, Government, as the largest employer, will give the appropriate lead to other employers in this matter. In general, Government prefers arrangements which encourage and assist middle- and upper-income employees to live in their own houses rather than in employer-provided housing. Some of the parastatal organisations and private companies have, in the past, operated loan schemes to this effect, and Government fully endorses the principle of such schemes.

19.20 Land tenure practices, building codes and zoning regulations all affect the development of urban housing. The more widespread issue regarding land tenure practices is their effect on the individual family's ability to secure mortgage financing for house construction or purchase. The present types of land tenure in many parts of the country do not facilitate such financing, and this particular problem concerns rural housing as much as housing in urban and peri-urban areas. Kampala and some other towns in Buganda face special problems created by the large tracts of private mailo land within their boundaries. Apart from adding to the multiplicity of land tenure types in Kampala and thus complicating administration, mailo land tenure in Kampala has been associated with practices that have created difficulties in the provision of services and the promotion of orderly development. This subject is currently under study with a view to evolving a workable system which retains the freehold principles of the mailo system and yet promotes rather than hinders urban development. More generally, Government is keeping land tenure practices throughout the country under continual review and will introduce the changes needed to make land a more suitable instrument for securing housing finance.

19.21 For some years now, it has been increasingly recognised that the building codes applicable under the Public Health Act are, by and large, obsolete and irrelevant. The codes date back to 1951. They involve cumbersome procedures, specify standards which have long been known to be unnecessary and unrealistic, and do not adequately cater for regional physical differences. In general, the codes are based on physical construction requirements rather than performance standards. The effect has been to set excessively high standards, increase building costs, discourage the use of new materials, and to inhibit housing development where evasion is not feasible. The committee which was established several years ago to review existing building regulations will be re-activated, and it will have as its main responsibility the reformulation of the regulations in such a way that much greater scope is allowed for the use of traditional building materials and other cheap local inputs. The committee will also specifically consider, among other things, arrangements through which the construction of middle- and upper-income housing can be associated with the provision of a larger volume of low-income housing (*e.g.* in the form of servants' quarters) than has been the case in the past.

19.22 House construction costs in Uganda are high relatively to costs in neighbouring countries, and have been rising rapidly in recent years. As stated in the previous paragraph, this has to do, in part, with the excessive statutory building standards. It is also due, however, to the price of inputs many of which have to be imported (which is itself partly a function of the building codes) at high freight charges. The attack on this problem will be two-pronged. In the first place, considerable expansion is planned in the local production of building materials and components currently used, a proportion of this in direct substitution for imports in an efficient way. In particular, work is in hand to develop the use of timber, and wood products generally, for commercial housing purposes. Secondly, Government will intensify its continuing work on the development, testing and propagation of new building materials, under the auspices of the Central Materials Laboratory. Further details of these developments are given in Chapter Eleven.

19.23 In a further effort to hold down house building costs, ways are being explored for the introduction of mass building techniques. During the Second Five-Year Development Plan the then National Housing Corporation opened a factory for the assembly of concrete sections for use in its house construction programme. It is not yet, however, possible to assert categorically that this development has reduced the Corporation's building costs. Currently, the Prisons Department is undertaking intensive investigations into the feasibility of setting up a factory for the production of pre-fabricated parts to supply, initially, the department's housing programme for its staff and other Government institutional housing projects. Depending on the findings of the investigations and the economics of the initial operations, the required additional capacity will be installed to supply an expanding portion of the market outside Government. One of the most important matters being assessed before Government embarks on the large-scale propagation of mass building techniques is the effect of such techniques on employment in the industry and the economy as a whole. No policy decision will be taken which seriously infringes the employment objectives of the Plan.

19.24 Mass production techniques are one aspect of standardisation with a view to reducing costs. Another aspect, which is of even more significance to private builders on a self-help basis, is the standardisation of house designs. This has already been mentioned as one way in which Government intends to tackle the rural housing problem. It is also to be an important facet in Government's policy relating to the promotion of low cost housing in urban areas. The development of standardized designs will be closely integrated with the work of the Central Materials Laboratory, the review of building codes, and the site and service development programme, all described in earlier paragraphs of this Chapter. The designs are to be developed by the Ministry of Works and Housing, and will be made available to the general public at only a nominal charge.

19.25 Another matter which directly bears on the level of building costs in Uganda, is the capacity of the building industry (on which there is virtually no factual information) and its organisation. There are some large contractors who are capable of handling major housing projects. Their number, however, is not large enough to ensure effective competition. The entry of the National Construction Corporation into this field has had a healthy influence. Alongside the big contractors there is a large number of smaller firms which will build houses to order, and a whole corps of skilled jobbers who handle the bulk of house building financed out of personal savings. Government is particularly concerned with assisting the development of small- and medium-scale Ugandan contractors in all fields including housing construction. One measure to assist this will be the expansion of the activities of the Management Training and Advisory Centre to provide specialised courses and field services to small scale building contractors. The enlargement of vocational training, described in Chapter Eighteen, as well as the possibility of limited financial assistance from the Uganda Development Bank, will also facilitate this development.

19.26 On the other hand, as already hinted, employers' (particularly Government's) staff housing policies may have inherently inhibitive effects on the development and structure of house building capacity in the private sector. In the first place, those members of staff who are entitled or eligible for housing but who cannot for the present be housed generally prefer to occupy private quarters distinctly below their income levels or to be put up in hotels for indefinite periods at the employers' expense while waiting for a job-tied house to be assigned. They are hardly likely to opt to build their own houses of an appropriate standard. As long as Government housing fails to keep pace with the growth in the number of staff eligible for this facility (and financial constraints make this a definite likelihood in the future), there will be an in-built discouragement to construction capacity for the relevant class of housing to expand in line with increase in need. In the second place, the large staff housing programmes undertaken by Government and other employers are particularly suited to big contractors. Housing demand emanating from this source, therefore, provides no stimulus to the development of medium- and small-scale contracting activity which it is Government's policy to promote. All these will be some of the issues to be considered under the review of Government staff housing policy discussed in Chapter Twenty-one.

19.27 The most evident effect of the rapid growth in demand for urban housing has been the escalation in rents which has taken place over recent years. It is reasonable to assume that rising rents have, in turn, provided some incentive for additional housing construction. However, due to various constraints, some of which are mentioned in this Chapter, housing construction has not responded sufficiently to arrest the upward movement in rents. It is also quite likely that actual rent increases have been in excess of the level necessary to stimulate an appropriate expansion in the stock of housing. In an effort to mitigate the harmful effects of this trend on the cost of living of urban house tenants, particularly those in lower-income groups, Government will take the steps necessary to prevent rents from rising faster than the costs of land and construction. Any rent control policy will be exercised in a very cautious manner to ensure that it does not adversely affect new construction thereby worsening the situation for all except the favoured few occupying rent-controlled dwellings.

The main advisory organ on rent control matters will be the Price Advisory Committee described in the Development Manifesto.

19.28 Financing is undoubtedly a serious obstacle to housing development. Some of the financing issues and proposals affecting the National Construction Corporation and the local authorities have been mentioned in the paragraphs above. The financial position of the National Construction Corporation might be additionally improved depending on the outcome of the review of Government's staff housing policy. The financing of Government's own housing programme is subsumed in the overall financing scheme for total Government expenditure during Plan III. Housing construction in the rest of the monetary economy is financed either from personal savings or from the limited range of financial institutions operating in this field. The Housing Finance Company of Uganda, which started operating in 1967, has made some 70 loans so far. There are also a few building societies which make limited amounts of finance available for housing construction purposes. Other financial institutions (especially insurance companies and commercial banks) have also played a part. Government will do all that it can to promote mortgage financing. The extent of this type of financing is at present restricted not only by the availability of funds, but also, and perhaps more critically, by inappropriate land tenure practices. Government's plans to evolve the necessary changes in these practices has already been stated. As part of the general reorganisation of parastatal organisations, the Housing Finance Company of Uganda will become a subsidiary of the new Uganda Development Bank.

19.29 In order to formulate the details of the various Government policies and programmes for housing, and to ensure their effective implementation, the Housing Section of the Ministry of Works and Housing will be greatly strengthened through the recruitment of additional staff including architects, engineers, economists and sociologists. Steps will also be taken to bring about closer liaison among the different public agencies (the Ministry of Works and Housing, the Ministry of Public Service and Cabinet Affairs, the Ministry of Local Administrations, the local authorities, the National Construction Corporation, and others) engaged in housing development activities.

IV. Summary of Government Expenditure

19.30 The total Plan III Government development expenditure provision for proposals covered in this Chapter amounts to Shs. 48.0 million, and is summarised in Table XIX—3.

Table XIX—3. Housing: Government Development Expenditure*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	URBAN HOUSING DEVELOPMENT PROGRAMME ..		48·0	35·0
19–2	Establishment of Ntinda Housing Estate ..	MWH	8·0	8·0
19–1	Contribution to LALF—Site and Service Developement	MLA	20·0	12·0
19–3	Contribution to N.C.C.	MFP	20·0	15·0

* The relationship between the bank and high priority allocation to each project is described in Chapter Eight (paragraphs 8.7—8.10). The system of code numbers associated with each project is described in Appendix 1.

† MLA — Ministry of Local Administrations.
MFP — Ministry of Finance and Planning.
MWH — Ministry of Works and Housing.

Chapter Twenty

COMMUNITY AND INFORMATION SERVICES

20.1 The main objective of the variety of services described in this Chapter (community development, social welfare, cultural services, radio, television and other information services) is to diffuse the benefits of development as widely as possible throughout the community and to ensure that economic and social development caters adequately for certain non-material but essential human needs of the population.

20.2 In line with the main emphasis of the Plan, major efforts in the future provision of these services will naturally be directed to rural areas where the bulk of the population resides. While most of the services in question are essentially for mass consumption, a few of them are for the benefit of particular groups whose circumstances command special attention on economic, social or humanitarian grounds. The development of the services covered in this Chapter, with the important exception of broadcasting, does not entail enormous financial capital expenditure. This is because no elaborate physical facilities are involved, and because the logic of the services requires that much of the necessary physical infrastructure is provided through self-help efforts. The key to an effective programme in this entire area lies in a clear definition of priorities, efficient co-ordination and the availability of an adequate number of properly trained staff. The programmes described in the following paragraphs are based on a full appreciation of all these requirements and an adequate allowance for expansion in recurrent spending.

I. Community Development and Welfare Services

20.3 It is Government's firm conviction that one of the most effective channels of promoting development, spreading such development throughout the entire community, and involving the people at large intimately in the development effort is through the extensive propagation of simple ways in which individuals, families, local communities, and other special groups can directly improve their own welfare. The large-scale mobilisation of the people for their own betterment and for development work generally is the rationale of the extension programmes of Government agencies concerned with rural production activities, of the health education and promotion programmes of the Ministry of Health, and, above all, of the Community Development Programme of the Ministry of Culture and Community Development.

20.4 In Chapters One and Seven attention is drawn to the urgent need for a better integrated approach in the execution of programmes for the provision of social and extension services in rural areas, and some of the more important action to be taken for effecting this has been described in Chapter Seven

Since the Community Development Programme is by its very nature an inter-disciplinary effort, many of the specific proposals for the expansion of the Programme, which are outlined in subsequent paragraphs of this Chapter, will depend, for their successful implementation, on the required degree of inter-departmental co-ordination and integration in rural development work being achieved early in the Plan period.

20.5 The main emphases in the Community Development Programme have been and will continue to be, women's club work, youth mobilisation, adult literacy, the organisation of self-help projects, and the conduct of training courses for community groups.

20.6 One of the most effective ways of reaching the mass of the people in the rural areas is by short formal training courses covering topics of particular interest to the farmer and his household. In the past such courses have been carried out in the main through the District Farm Institutes run by the Ministry of Agriculture and Forestry and the *Rural Training Centres* of the Ministry of Culture and Community Development. The proposals made in the Second Five-Year Development Plan to complete the programme of one Rural Training Centre in each district were not implemented, and there are four centres shared jointly with the District Farm Institutes. During the period 1966/67 to 1970/71, about 150,000 people attended residential and non-residential courses at the training centres. It is now intended to integrate, at the district level under the Ministry of Agriculture and Forestry, the training activity carried out at the District Farm Institutes and the Rural Training Centres. Subject to further discussions between the Ministry of Culture and Community Development, and the Ministry of Agriculture and Forestry, the full integration of the training activities will be effected early in the Plan period. Proposals for Plan III, including details of new facilities to be provided, are described in Chapter Ten. Each year, the training programmes to be provided at the centres and institutes will be mutually agreed by all interested Ministries operating in the district.

20.7 A programme of building *community centres* in every gombolola was initiated in the first Plan. By 1971, however, only 35 had been fully completed with all auxiliary facilities. There were another 346 at varying degrees of construction. Although it was intended that the community centre should be the central focus of community life in the rural areas, where Government services would reach a wider audience than otherwise possible, there have been certain difficulties associated with the programme. The most serious problem has been the absence of wardens to run the centres, which was partly due to the lack of housing for wardens. During Plan III, therefore, provision is made initially for the completion of all on-going construction work. Early in the Plan period a full assessment of the entire programme will be carried out with a view to improving the utilisation of all centres and assessing the demand for new community centres. In the course of the review, particular attention will be paid to the siting of new centres, to the most economical way of constructing centres, including the possible use of contract labour, and to the operation of those services (including community radio listening and T.V. viewing) provided by Government to the centres.

20.8 The community centre programme represents an ideal opportunity to promote the integrated approach to rural development referred to earlier. During the course of the review of community centres, consideration will be given to the possibility of providing at selected centres additional facilities to enable the centres to be utilised for short in-service training courses for extension staff. Such selected centres would then become focal points in the implementation of the rural services programme. The provision of new facilities will depend on the out-come of the review of community centres. Shs. 7·5 million is provided for on-going construction work on community centres and the provision of limited facilities for extension staff training at some of the centres. Apart from this no capital expenditure will be incurred until the review has been completed.

20.9 The Government attaches very great importance to the growing *self-help programme*. Such activities promote the co-operative spirit of the community, and they provide a convenient avenue for channelling traditional communal practices to development work. Moreover, many projects are carried out through the self-help programme which would otherwise not be implemented because of the lack of finance. During 1969, about 1,750 self-help projects of community buildings, swamp crossings, minor roads, water supplies and aid posts were completed. In addition, membership of the Community Development Clubs through which self-help projects are organised has been growing steadily, and stood at 125,000 in 1969.

20.10 The Government will continue to actively encourage all self-help activities of a development nature. Shs. 20 million will be made available over the Plan period for direct financial assistance in the purchase of materials for use on self-help schemes. This money will be allocated to each district in accordance with its population, and will be channelled through the Community Development Committees in liaison with the District Team Planning Committees and other local planning organs, which will approve the requests for the purchase of materials and will be responsible for the proper implementation of the project and the co-ordination of such projects with other related developments in their areas. Part of the money may be used for the purchase or hire of construction equipment necessary to execute the various self-help projects. Also, part of the allocation will be available for building primary schools in pursuit of the Plan objective (*see* Chapter Eighteen) regarding the allocation of primary school places.

20.11 *The National Literacy Campaign* was re-organised during the course of the Second Five-Year Development Plan by focusing the programme at elected areas and adopting a more functional approach. The intention in Plan III is to continue the campaign, with variations based on experience athered during the Second Plan period. In particular, the use of voluntary eachers has not been a success, and this was the major reason why enrolment gures have remained far below the Plan targets. Payments will therefore be ntroduced to those who teach in the campaign, at an annual recurrent cost o Government of Shs. 1·0 million. Financial inducements are being considered or those who enrol, and primary school teachers and facilities will be used more in the campaign. Follow-up action, based on better organised supplies of improved Government publications, will be intensified in order to maintain the literacy of those who successfully complete the course. With the new measures envisaged for Plan III, it is expected that at least 50,000 people will be enrolled each year of the campaign. In the long run it is intended that universal literacy will be achieved by the end of the century.

20.12 The youth programmes of the Ministry of Culture and Community Development generally aim at providing the younger members of the community greater opportunities to become more active and involved citizens of the country. The *National Union of Youth Organisations* was established in 1964 and by 1969 its membership numbered over 30,000. Their activities have fallen into two groups:—

(i) producer groups, comprising small units of NUYO members who club together for productive and self-help activities;

(ii) various training schemes, providing limited training facilities for NUYO members on a residential basis.

20.13 Since these activities are primarily directed at promoting the productive employment of young people in rural life, they will in the future be developed in much closer collaboration with the Young Farmers Programme (*see* Chapter Ten). Both programmes will share and co-ordinate services and facilities wherever possible.

20.14 During Plan III, NUYO will place emphasis on the development of national training facilities for its members. Such training provides simple but adequate vocational skills for eventual use in the rural areas. The construction of the Youth Leadership Training Centre at Mubuku will be completed and two new national Training Projects will be introduced, at a combined total cost of Shs. 2·8 million. In addition, special youth training programmes will continue to be mounted by the Ministry of Culture and Community Development at the national youth training centres. In each district at least one District Farm Institute/Rural Training Centre will provide programmes and facilities for youth training in farming practices and rural vocational skills. A revolving fund of Shs. 200,000 will be established for short-term loans to NUYO producer groups. The other major development will be the development of the NUYO settlement scheme at Kabalye in Bunyoro. This project is described in Chapter Ten.

20.15 In Uganda, the Community Development Programme is administered jointly with the Probation and Welfare Service. This latter Service covers probation, family and child welfare services, the operation of remand homes and approved schools, vocational rehabilitation and refugee settlement work. All these different activities will be expanded during Plan III. As already stated, in the case of many of the services, the financial implications of the planned expansion will fall mainly on Government's recurrent budget.

20.16 The *family and child welfare* services are intended to foster happy family life and to cater for the needs of those children with no families or who, for some reason or other, are beyond parental control. For a number of reasons, very little of what was envisaged for these services during the Second Five-Year Development Plan was actually achieved, and yet if anything the problems of family and child welfare have increased. Considering the magnitude of the problems, anything which Government is able to do in the field is likely to have only a marginal impact. As a matter of policy, therefore, very great reliance will be placed on the work of voluntary organisations in the field of welfare services. The reliance is not misplaced, as Uganda has an unmatched record of voluntary social work, which is symptomatic of the healthy and thriving community spirit in the country. There are now well over 100 voluntary organisations affiliated to the National Council of Social Services. These organisations will continue to supplement Government welfare services, and even to initiate action in areas not yet covered by direct Government work. In order to match the increased responsibility requested from voluntary organisations, Government subventions to them, through the National Council of Social Services, will be increased by an average of 10 per cent every year, throughout Plan III.

20.17 The National Council of Social Services has been financed from a number of sources. The Government will continue to support the Council through an annual subvention, and the Council will continue to rely, as far as possible, on private donations and grants. The Council proposes, at some stage during the Plan, to construct a new headquarters building to house as many of the affiliated voluntary organisations as possible. The Government is sympathetic to this proposal, but does not anticipate that it will be called upon to contribute to the project, over and above the annual subvention.

20.18 *Probation* work is directed at treating selected juvenile and adult offenders with a view to providing them with security and self-respect and thus facilitating the process of their re-adjustment to a normal, active and free life. With rising crime rates and growing juvenile delinquency, Government's responsibilities in this field will inevitably increase. During Plan III, probation officers will be posted to all Grade I Magistrates Courts and, as far as possible, to all Grade II Courts as well.

20.19 At present, Government runs three *Remand Homes* (which are places of detention for juveniles remanded in custody and children in need of special care and protection) and one *Approved School*—an establishment for the residential training of young persons who have been made the subject of an Approved School Order by a juvenile court. A fourth Remand Home is under construction at Fort Portal, and Shs. 2·5 million is provided for its completion and the building of four additional Remand Homes at Arua, Gulu, Jinja and Masaka, during Plan III. During the Plan, the present Approved School at Kampiringisa will be reserved for delinquents of 14 years of age and over. Urgent improvements will be carried out to the School, at a cost of Shs. 100,000. Two other Approved Schools will be built—one for girls aged between eight and fifteen, and the other for boys under the age 14—at a total cost of Shs. 1·0 million.

20.20 The objective of the *Vocational Rehabilitation* Service of the Ministry of Culture and Community Development is to enable disabled persons of all kinds to become economically and socially independent, through appropriate vocational training. Disabled persons are thereby given an opportunity not only to maintain themselves but also to play a positive role in the development of the country. The Service was started during the Second Five-Year Developmen Plan, and 13 rehabilitation centres and workshops have so far been established In 1969 alone, about 600 handicapped persons underwent training at the centres and workshops, and revenue from the sale of their products amounted to Shs. 850,000. Indeed, the Service is now considered to be one of the best o its kind in the whole of Africa. During Plan III, the Service will be considerably expanded. Eighteen new rehabilitation centres will be set up and existing one will be extended. Shs. 5·0 million is provided for all this. It is anticipated tha the activities of the centres will generate adequate revenue to match at least th recurrent costs of the programme. A special Department of Rehabilitation is to b established within the Ministry of Culture and Community Development t ensure that the enlarged programme is undertaken without any loss in efficiency

20.21 In recent years Uganda has accepted 175,000 *refugees* from neighbour ing countries. With some help from international bodies, Uganda has bee able to make appropriate arrangements for the settlement of some of thes who were in particular need of assistance on arrival. Although such arrangement will continue to be made, the intention of Government is that when politica and social conditions in the countries from where the refugees come are sufficientl settled, the refugees will be expected to return to their homelands. In th meantime, the Government will ensure that the refugee programme correspond to the development priorities outlined in the Plan, and that the facilities provide in the refugee camps are of a scale and standard commensurate with simila facilities provided elsewhere in the rural areas. All capital expenditure on th refugee programme is financed from the development budget, but reimbursed i full by the United Nations High Commission for Refugees. It is estimated tha this expenditure will amount to Shs. 16 million over the Plan III period.

20.22 Nsamizi in Entebbe was at one time the major in-service trainin centre for the public service. With the establishment of the Institute of Publi Administration, Nsamizi Training Centre is now almost exclusively reserve for training programmes associated with the Government community an welfare services. Such programmes include introductory and refresher course for serving officers, as well as the new two-year Diploma Course in Socia Development. The expansion in the training programme has stretched existin facilities at the Centre to the maximum. Provision is, therefore, made to exten staff and student residential and teaching accommodation at a cost of Shs. 600,000

20.23 A crucial ingredient to the success of community development wor and other extension services is the provision of suitable and adequate *visua aid* teaching materials. There exists a full-scale audio-visual aid unit in th Ministry of Agriculture and Forestry. A similar unit is being established i the Ministry of Animal Industry, Game and Fisheries. The operation an responsibilities of these units will be reviewed to ensure that maximum benefi is obtained for Government as a whole, and that, in particular, the needs o the Community Development are also catered for. The review will conside the possibility of centralising, under one Ministry, the administration of all important audio-visual aid work undertaken by Government organs.

II. Culture

20.24 There is a wide range of cultural activities in Uganda relying mainly on private voluntary effort, and which is due in part to the rich cultural heritage of the country. Too often, however, enjoyment of cultural activities—music, dance, and the visual arts—is concentrated in Kampala, and an effort will be made to correct this situation in the future.

20.25 The *National Cultural Centre* was opened in 1959, and is now a focus for an impressive variety of cultural and artistic activity. During the Plan III, the activities of the Centre will be further expanded, particularly in the dramatic field. Special attention will be paid to arranging programmes out of Kampala. To accommodate the expansion in activities, appropriate measures will be taken to recruit staff, and to improve facilities and equipment. Government will continue to support the Centre through a modest, but growing annual subvention.

20.26 The greater knowledge of our past is an important element in our cultural development, and this knowledge should be made available to as many people as possible. The duties of the *Department of Antiquities* include both research to extend our knowledge about people who lived in the past, and the conservation and preservation of historical and archaeological sites. There will be an ambitious push on all these fronts during the Plan. A small headquarters building will be constructed for the Department of Antiquities at a cost, including various items of equipment, of Shs. 600,000. The building will be sited near Makerere, and will provide facilities to enable History students at the University to become acquainted with the archaeology of Uganda. Five additional archaeological and historical sites will be developed and made accessible and intelligible to the public. The tombs of former rulers will be plotted and recorded, and the sites marked with beacons, so that there is no danger of their locations being lost. Finally, provision is made for the survey of a number of archaeological sites, especially in Ankole, to provide a better understanding of the history of the earlier kingdoms. The entire programme of site development and recording will cost Shs. 500,000.

20.27 The work of the *Uganda Museum* has proved extremely popular, with a large increase each year in attendance at the Museum in Kampala and in the interest shown in the few exhibitions that have been mounted in areas out of Kampala. The major programme in Plan III will be to develop museum facilities in the districts. A mobile unit will be established which will travel to educational institutions and to centres of rural population. Further, small museums will be constructed at Gulu, Mbale and Mbarara. Simple but informative exhibitions will be mounted, and this will pave the way for permanent regional museums at a later date. The total cost of the Museum programme will be Shs. 500,000.

20.28 The provision of public reading facilities is an important corollary to the education and literacy programmes, and there is clearly a high demand for reading material in both the rural and urban areas. *The Public Libraries*

Board was established in 1964, and operates 4 regional and 12 district libraries. The dissatisfaction that had been expressed over the services provided by the Board promoted a Committee of Enquiry which reported in 1970. The Government is re-organising the services of the Board in the light of the recommendations of the Committee. One of the problems facing the Public Libraries Board is shortage of suitable accommodation for library services at the headquarters and regional level. During the Plan period a total of Shs. 4·0 million will be spent on constructing new, or improving existing, buildings for the Board. New central storage and office facilities will be developed in Kampala at a cost of Shs. 800,000. The balance of about Shs. 3·2 million is provided for the development of the national and regional library buildings. In addition, the book stock of the entire public library services will be expanded every year to relieve the present shortage and to provide an expanding choice of books. Shs. 1·0 million is provided for expenditure on books during the Plan III period.

20.29 An active and popular *sports* movement is a further element in the cultivation of a civically conscious community. In the immediate past, Uganda has made its mark at the international level in the field of boxing, football and athletics. The potential and unexploited possibilities, however, remain enormous, considering that the very rapid improvement of the standard of sport in Uganda has come about through only modestly improved coaching programmes. During Plan III, structural improvements will be undertaken at the national and regional stadia to improve playing conditions, extend facilities and to expand spectator capacity. Tennis courts and swimming pools will be constructed in urban areas for public use. The major activity, however, will be the widespread provision of a number of basic facilities to as wide a section of the community as possible; and the main emphasis will be on providing facilities for football, boxing and athletics in the rural areas. Some of these facilities, for example football grounds, can be constructed through self-help activity, which will be encouraged and supported. Training and coaching programmes will be mounted by Government as widely as possible to promote participation in the popular sports and to attract the really outstanding and promising performer. The total programme will cost Shs. 10 million during Plan III, and the greater part of this will be spent in the rural areas. Government has decided to establish a national stadium of international standards, capable of hosting the major national sports and of providing a focus for the coaching and training programmes in these sports. The plans for the proposed stadium will be finalised during the course of the Plan III period.

III. Broadcasting and Information Services

20.30 Radio and press provide a relatively inexpensive method of reaching the mass of the population. Through careful programme selection, broadcasting and other Government information services can be a powerful weapon in the struggle for economic and social development. Indeed, many of the proposals made in the Plan will rely to a certain measure on using the broadcasting and information services of Government for their effective implementation. Apart from their educative value, the information services have a significant entertainment and news value also.

20.31 Government will develop the broadcasting services in two main ways:—

(i) The quality and content of the programmes provided will be considerably improved.

(ii) The coverage of broadcasting services will be extended to an ever increasing section of the country, so that each district has as good an opportunity as any other to receive and benefit from the services provided. At the same time, the reliability of the services and its reception will be improved.

20.32 The first objective will be achieved by drastically raising the standard of edition, by developing a cadre of competent announcers and by allocating more time to those programmes which are clearly linked to economic and social development. The coverage, content, and delivery of local and international current affairs and commentaries will be greatly improved. In addition, programmes will be introduced for the special needs of Karamoja. Finally, although Radio Uganda and Uganda Television are integral parts of Government, they will, as far as possible, promote a constructive discussion of Government policy. Government information services belong to the whole population, and a greater diversity of comment and opinion will be permitted than has been the case in the past. To facilitate this, a nation-wide audience research survey will be carried out during the course of the Plan period. The purpose of the survey will be to ascertain the extent and popularity of the broadcasting services so as to provide guidance for the framing of future programmes.

20.33 A problem which is particularly acute in the broadcasting services is the shortage of trained technicians. The various training programmes undertaken by the Ministry of Information and Broadcasting will be strengthened, and special courses will be mounted at the Uganda Technical College. In addition, major attention will be paid to improving and extending on-the-job training programmes provided by Radio Uganda and Uganda Television. Special training equipment will be installed, at a cost of Shs. 300,000, and temporary staff recruited to carry-out the proposed training programmes.

20.34 Because of the nature of their work, many of the technical staff of the Ministry of Information and Broadcasting must be provided with housing. During Plan III, therefore, Shs. 2.0 million is provided for additional institutional housing for such staff as are not eligible for pool housing.

A. *Radio*

20.35 Radio now reaches a very large proportion of the population, and at peak listening times, the national audience is of the order of two-and-a-half million. Although the price of transistor radios is within reach of growing numbers of people, radio coverage does not extend in anything like a satisfactory form to the whole country, and the reception is, on occasions, extremely poor.

20.36 The major radio development project embarked on in the Second Five-Year Development Plan, and which will be continued in the Third Plan, is the expansion of the medium-wave broadcasting system, which will provide reliable sound broadcasting services to the whole country. The expansion of the MW system is matched to the growing number of transistor sets which receive the medium wave. The project will be carried out in three separate phases.

20.37 In Phase I, which was started towards the end of the last Plan, four 100 kW medium-wave transmitters will be installed, one in each region of the country. The construction of the stations, the installation of the equipment and the provision of the necessary links will be completed during 1972. The transmitters will form the national network for part of the day, and for the remainder they will carry programmes of particular interest for the region in which they are located. The national network and the regional programmes will continue to be broadcast from Kampala.

20.38 During Phase II, a number of low-power transmitters will be installed in selected areas which, for topographical or other reasons, may still be outside the reliable service range of the four regional transmitters. In Phase III, a network of low-power transmitters will be installed in the more densely populated areas to provide an alternative programme to that carried by the network installed in Phase I.

20.39 By 1976, therefore, there will be two channels covering virtually the whole country: the first, broadcasting the national network and regional programmes will be ready midway through the Plan period. The second channel, again broadcast from Kampala, will provide a permanent alternative to programmes in the first channel. The total cost of the entire project, covering all three phases, and the provision of necessary links, will be Shs. 32·8 million, of which Shs. 16·9 million will be spent in the Plan III period.

20.40 Under the community centre programme, radio receivers for group listening were to be provided in each completed centre to enable radio services to reach as large a section of the population as possible. Very little, however, was done, partly because of the difficulties associated with the erection of community centres and partly because of low efficiency in the management of the project. In addition, the growing number of privately owned sets may have made group listening less popular. The review of the community centre programme (mentioned in paragraph 20.7 above) will consider the future of community listening sets and other alternative ways of increasing the national radio audience.

20.41 In the early part of Plan III period, an external broadcasting service will be provided. The service will be primarily directed to neighbouring countries in Africa, and to a lesser extent, to the continents of Europe, and possibly that of North America. The purpose of the service will be to project Uganda's image abroad, to advertise goods and services produced by Uganda, and to reciprocate broadcasting services now provided by neighbouring countries. In order to be able to broadcast a clear and reliable signal in each of the reception zones envisaged, it will be necessary to install an elaborate and costly system of transmitters, aerials and switching arrangements. A suitable site of about 300 acres will be provided for all these installations. The technical aspects of the scheme are now finalised and the cost is estimated at Shs. 16·0 million.

20.42 The overall expansion in the activities of Radio Uganda will necessitate expenditure on certain facilities and equipment during Plan III. An additional radio studio will be built at a cost of Shs. 700,000, and additional equipment, related to the outside broadcasting programmes, will be provided at a cost of Shs. 200,000.

B. *Television*

20.43 Television has a limited audience, partly because the demand for sets is low, and partly because technical factors limit the areas in which it may be received. The limited audience makes the installation and operating costs per receiver very high. Because of its expensive nature television development must be carefully examined, and it is largely because of its valuable formal and informal educative aspects that the Government feels justified in incurring significant capital expenditure on the expansion of television services over the Plan III period.

20.44 Largely because of the high cost involved in relation to coverage, Government will ensure, as far as possible, that operating costs of the television ervice are covered by advertisement charges, subject of course to control over rogramme content. Apart from this, the development of television in Plan III vill be similar to that of Radio Uganda—an extension in national coverage nd a marked improvement in reception.

20.45 At the outset of the Second Five-Year Development Plan, there were x transmitting stations, and television could be received only in limited parts the country. Towards the end of the Plan, arrangements were under way install stations and transmitting facilities in every district, so as to provide fully national coverage, and to improve the quality and reliability of reception om existing stations.

20.46 During the first phase, which started in 1970/71, improvements will made to the existing booster stations at Soroti, Lira, Masaka, Mbarara d Kampala; transmitters will be installed at Jinja, Gulu and Kabale; and umber of necessary relay points will be built. Additional equipment, including provision of a stand-by transmitter in Kampala, will be required to ilitate the technical rationalisation of the network so as to improve reliability, a cost of Shs. 3·8 million. During the second phase, which will be completed the end of the Third Plan, transmitting stations will be built at Fort Portal, sese, Arua, Masindi, Hoima, Tororo, Moroto, and additional relay points be installed. A second stand-by transmitter will be installed at Soroti to ther improve the reliability of the network. The total cost of the project is the order of Shs. 33·1 million, of which Shs. 28·4 million will be spent in Plan III period. On the completion of the project, 90 per cent of the population of the country will be in reception areas.

0.47 The expansion of television services and the increase in locally luced programmes, especially of an educational nature, will necessitate an ease in studio facilities and equipment. The present television centre is lequately designed for the purposes it has to fulfil, and at some stage in the future, a completely new centre may well be required. In determining whether this is so, a survey will be made of the appropriate scope and management of television in Uganda. This will determine, in turn, the required size and facilities of the television centre. In the meantime, Shs. 5·0 million is allocated for expenditure during Plan III on essential and urgent structural alterations to the present centre (including the provision of new studios) and for the purchase of equipment.

20.48 The Government's long-term aim is to provide public television sets in all community centres with electricity. In principle, the project is of major importance for the expansion of television. Very few sets were provided during the last Plan, and a high proportion of the few sets that were provided are known not to be working. The provision of sets and their maintenance, will be examined during the course of the review of community centres.

20.49 A mobile Outside Broadcasting Unit was installed in 1969, and has proved a most valuable asset in expanding the range and coverage of UTV programmes. At some stage in Plan III, it will be necessary to replace the unit completely at a cost of Shs. 2 million.

20.50 One major justification for television is the use that can be made of the medium for educational purposes. Time devoted to educational programmes will be considerably increased during the Plan period. As explained in Chapter Eighteen, the Educational Television Service of the Ministry of Education will have greatly increased access to the studios and other facilities of UTV.

C. *Information and Press*

20.51 In the Second Five-Year Development Plan it was proposed to establish District Information Centres to improve country-wide news coverage, and for the display and propagation of Government information. Offices were established in over half of all districts during the course of the Plan. Early in Plan III, the remaining offices will be established and staffed, and teleprinter connection will be installed linking all centres directly with Kampala. The information centres will be primarily concerned with constructive and analytical reporting of economic and social activities in the districts. The teleprinter connection will be provided by joining each centre to the transmitter links installed under the medium wave broadcasting system. In the first instance, a limited number of teleprinters will be hired from the East African Posts and Telecommunications Corporation. If the programme is found to be successful, then the required number of teleprinters will be purchased and installed at a cost of Shs. 1·3 million. Provision for necessary office accommodation for the information centres is covered in Chapter Twenty-one (paragraph 21.24).

20.52 There are now four vernacular newspapers published and subsidised by Government. During Plan III, appropriate measures will be taken to increase the circulation and the frequency of publication of the newspapers so that they regularly reach as large a section of the population as possible.

IV. Summary of Government Expenditure

20.53 The Plan III Government development expenditure on projects described in this Chapter amounts to Shs. 145·1 million, and is summarised by major programme in Table XX—1.

Table XX—1. Community and Information Services: Government Development Expenditure*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	COMMUNITY DEVELOPMENT PROGRAMME ..		30·5	13·9
20—1	Community Centres	MCCD	7·5	3·0
20—2	Assistance for Self-help activities	MCCD	20·0	10·0
20—3	NUYO Training Programmes	MCCD	2·8	0·8
20—4	NUYO Revolving Loans Fund	MCCD	0·2	0·1
	SOCIAL WELFARE PROGRAMME		25·2	24·4
20—5	Remand Homes	MCCD	2·5	2·5
20—6	Approved Schools	MCCD	1·0	0·5
20—7	Kampiringisa Approved School	MCCD	0·1	0·1
20—8	Vocational Rehabilitation	MCCD	5·0	5·0
20—9	Refugee Settlements	MCCD	16·0	16·0
20—10	Expansion of Nsamizi Training Centre ..	MCCD	0·6	0·3
	CULTURAL SERVICES DEVELOPMENT PROGRAMME		6·6	2·9
20—11	Department of Antiquities—New Headquarters	MCCD	0·6	—
20—12	Development of Historical Sites	MCCD	0·5	0·5
20—13	Development of Museums	MCCD	0·5	0·1
20—14	Public Libraries—Central Store and Office facilities	MCCD	0·8	0·8
20—32	National and Regional Library Buildings ..	MCCD	3·2	0·5
20—15	Public Libraries—Books	MCCD	1·0	1·0
	SPORTS DEVELOPMENT PROGRAMME ..		10·0	5·0
20—16	Development of Sports Facilities ..	MCCD	10·0	5·0
	GENERAL ADMINISTRATIVE AND COMMON SERVICES PROGRAMME (INFORMATION)		2·3	1·2
20—17	Institutional Housing for Broadcasting Staff	MIB	2·0	1·2
20—18	Broadcasting Training Programmes—Equipment	MIB	0·3	—
	RADIO BROADCASTING DEVELOPMENT PROGRAMME		33·8	22·8
20—19	Expansion of Medium Wave Broadcasting System—Phase I	MIB	4·4	4·4
20—20	Expansion of Medium Wave Broadcasting System—(Links to Transmitters) ..	MIB	2·9	2·9
20—21	Expansion of Medium Wave Broadcasting System—Phase II	MIB	2·6	2·6
20—22	Expansion of Medium Wave Broadcasting System—Phase III	MIB	7·0	2·0
20—25	External Broadcasting Service	MIB	16·0	16·0
20—23	New Radio Studio	MIB	0·7	0·7
20—24	Equipment for Outside Radio Broadcasting	MIB	0·2	0·2
	TELEVISION DEVELOPMENT PROGRAMME ..		35·4	24·3
20—26	Television Expansion—Phase I	MIB	10·0	10·0
20—27	Television Expansion—Technical Rationalisation of Phase I	MIB	3·8	3·8
20—28	Television Expansion—Phase II	MIB	14·6	5·5
20—29	Improvements to TV Centre and purchase of T.V. equipment	MIB	5·0	5·0
20—30	Outside T.V. Broadcasting Unit	MIB	2·0	—
	INFORMATION DEVELOPMENT PROGRAMME ..		1·3	1·3
20—31	Teleprinters for District Information Centres	MIB	1·3	1·3

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* The relationship between the bank and high priority allocation to each project is described in Chapter Eight (paragraphs 8.7—8.10). The system of code numbers associated with each project is described in Appendix I.

† MCCD = Ministry of Culture and Community Development.

MIB = Ministry of Information and Broadcasting.

Chapter Twenty-one

GENERAL ADMINISTRATIVE AND SECURITY SERVICES

21.1 The efficiency and quality of the Public Service will be a major factor in the successful implementation of this Plan. Government relies on the Public Service to be the initiators, designers and driving force in the march towards economic progress. In the first place, only Government has an overall view of the economy, and its problems and prospects; secondly, developments in certain key sectors can only be undertaken by Government, either because of the nature of the sector, or because the risks and uncertainties involved are such that only Government can bear them. Further, with the gradual move towards more comprehensive planning, the Public Service will assume an even more important role. Aspects of the machinery of planning have been considered in some detail in Chapter Nine. This chapter is concerned with the broader issues of the Public Service, and in particular, with the provision of those government services of a general or security nature.

I. General Issues of the Public Service

21.2 The development of a fully Ugandanised and efficient Public Service is a basic long-term objective of government policy. This objective will be attained through a number of measures, especially training programmes, over a period of some years.

A. *Efficiency and Ugandanisation*

21.3 With the assumption of an ever-widening range of activities by Government, there has been a very wide rapid expansion in the Public Service since 1962, as is illustrated in Table XXI—1. Over the period, the number of vacancies has grown dramatically, from less than five per cent to over 20 per cent of total establishment. This, however, may not be as alarming as the figures suggest, as it is quite likely that the establishment itself has expanded faster than was warranted.

Table XXI—1 Growth in the Public Service* 1962–70 (at 31st October).

	1962	1966	1968	1969†	1970†
Total establishment	17,744	23,813	28,791	31,979	35,27
Vacancies	844	3,216	4,802	6,376	8,20
Filled Posts	16,900	20,597	23,989	25,603	27,07
Of which Ugandans	13,756	17,980	21,420	23,032	24,541

*Excluding officers of local authorities, government corporations, and teachers.
†At July, 1st.

21.4 In spite of the increasing demands on the Public Service, and the increase in vacancies, its efficiency and quality remain high. Nevertheless, there is much that needs to be improved. In a number of areas, co-ordination among Ministries or between Government on one hand, and the various other public bodies on the other, has been inadequate or totally lacking. This is especially so in the field of economic policy and development. Many of the procedures and personnel management practices still in use are not appropriate for a public service engaged in active development work. It is also true that the generally unsatisfactory quality of secretarial, accounting and other clerical supporting staff has adversely affected the quality and speed of public work.

21.5 Measures are to be taken to remedy these various shortcomings. Subject to the need for some ministerial steps to redress imbalances in the composition of the Public Service, merit will be the sole criterion for advancement within the Service; and seniority, tribe, sex or creed will be rendered totally irrelevant to this. Throughout the Public Service rewards commensurate with ability and performance will be introduced, and the inefficient will be penalised severely. The work of public officers will be continually surveilled, particular attention being paid to the efficiency of those officers who, in their work, are in regular direct contact with the public. Government will streamline its own structure and procedures in order to rationalise responsibilities and to minimize duplication of effort and delays in decision-making. Every effort will be made to create a Public Service responsive to the needs of the public and capable of handling fast development work.

21.6 The progress of Ugandanisation of filled posts has continued at a high rate, from 80 per cent in 1962 to 90 per cent in 1970, as indicated in Table XXI—1. The level of Ugandanisation is much higher in the administrative than in the professional or technical grades, the latter two of which comprise 85 per cent of the entire service. Technical assistance to Government is thus concentrated almost exclusively in the technical and professional grades.

21.7 Generally, however, Ugandanisation has not kept pace with the expansion of the service, given the large number of unfilled vacancies. This is due in part to the very rapid expansion in the service, such that the demand for high level personnel exceeds supply, and in part because the establishment of new public corporations has deprived Government of a considerable number of serving officers. In addition, salary scales of the Public Service are not generally of the level which would attract potential candidates in sufficient numbers.

21.8 Over the Plan III period, it is intended to achieve complete Ugandanisation in the administrative grades of the Public Service, and to increase substantially the degree of Ugandanisation in the professional and technical grades in the public sectors of the economy. This will pave the way for the entire Ugandanisation of the Public Service during the 1980's. To achieve these objectives, the training programme of the Public Service will be integrated very closely with its manpower requirements, and more effective use will be made of the government machinery already established to ensure the Ugandanisation of high level manpower in the public sectors of the economy. As a step towards achieving this, Government is establishing a phased Ugandanisation programme for each Ministry and Department for the period up to 1976, and the resultant training programmes that will be required.

B. *Training*

21.9 A thorough and well grounded training programme is the most important key to a Ugandanised and efficient Public Service. The training offered for public officers covers extensive formal courses and in-service training, and is directed at three overriding considerations:

(i) the urgency to fill vacant posts;

(ii) the need to Ugandanise posts filled by non-Ugandans; and

(iii) the improvement of efficiency in meeting the existing and new functions of Government.

21.10 Through a combination of measures, Government attempts to ensure that formal training institutions produce the right quantities of high-level manpower for employment in the Public Service. For instance, the manpower requirements of the Public Service do receive prominent attention in the award of overseas scholarships and in the admissions policy of Makerere University and other higher education institutions.

21.11 There is a variety of in-service training available for public officers. Several Ministries run departmental training courses to produce middle or lower grade specialist technical staff. The Ministry of Education, as stated elsewhere, administers several training institutes and colleges for the more general training of potential holders of Public Service posts within the secretarial, accounting, engineering and other technical fields. In addition, in-service training is going on all the time to assist staff, once in the service, to become more efficient in their duties and also to be better prepared to take up positions of higher responsibility if called upon to do so. Whilst overseas training will continue to serve a very useful purpose, it is felt that this will be increasingly restricted to short-term training and refresher courses of a type that cannot be arranged locally.

21.12 The major development in the field of in-service training of public officers in the Second Plan period was the establishment of the Institute of Public Administration, which began operating in 1967. The Institute now offers an impressively wide range of courses, for the different levels of staff, in the techniques and problems of public administration. The expansion of the Public Service and its involvement in new fields, necessitate a further extension of the Institute to accommodate the additional training programmes that are envisaged. New teaching and accommodation facilities will be provided, together with certain necessary equipment, and the total capital cost of this expansion programme is estimated at Shs. 6·9 million. The Institute will concentrate its activities on the provision of short in-service and orientation courses for public officers.

C. *The Housing of Public Officers and other Terms of Service*

21.13 Chapter Nineteen covers the overall housing developments envisaged for Plan III. This section reviews the background to government housing policy for public officers. The policy remains that which was operative before

Independence, although a need for its reappraisal is fully appreciated in Government, and initiatives in this connection have been made over the last few years. Indeed, the Second Five-Year Development Plan stated that Government would increasingly encourage public officers to build their own houses.

21.14 The basic problem in the housing of public officers may be briefly stated. The rapid expansion in the Public Service at the level of those eligible/entitled to housing without any increase in pool housing since the mid-1950's has produced an acute housing shortage. This has led, inevitably, to mounting expenditure on the renting of houses for use by public officers and on hotel bills. The acute shortage, and the operation of a policy made impossible by the circumstances, has seriously affected morale and efficiency in the service. At the same time, a number of pool housing units are currently occupied by non-eligible people. Finally, the presence of a relatively large pool of heavily subsidised housing has retarded the development of the private housing market, and may, thereby, have contributed significantly to the general rise in private rents.

21.15 In view of the unsatisfactory nature of the housing policy, a committee will be established to advise on whether or not Government should divest itself of its responsibilities to house its own officers. In making its recommendations, the committee will pay particular attention to the impact any alternative policy would have on the financial position of Government, on the conditions of service of public officers, and on the broader issues relating to the housing market in the economy as a whole.

21.16 Without prejudice to the work and findings of the committee, a number of measures will be taken to counter the immediate problems caused by the shortage of housing and growing government expenditure on renting and hotel bills. First, all non-eligible personnel at present occupying pool housing units will be asked to leave those houses over a period not extending beyond one year. A number of these units are occupied by officers of Government corporations and the East African Community, which organisations will thus have to make alternative arrangements for their staff affected. Other pool housing units are occupied by non-eligible public officers. This situation will be normalised during the Plan period, either by extending the scope of the definition of eligibility of public officers to pool housing, or by requiring certain officers to vacate the housing units. In these latter cases, care will be taken to minimise any inconvenience to individual officers. Secondly, a crash programme will be undertaken to relieve the present acute housing shortage in particular areas of the country, at a cost of Shs. 70 million. Thirdly, all efforts will be made to make special housing arrangements, outside the pool, for an increasing proportion of expatriate officers serving under the various technical assistance agreements. This will reduce demand on the housing pool. Finally, as far as possible, improvements will be made in the administration of the present system to make it both more equitable and more flexible.

21.17 Various minor repairs and improvements will be carried out to pool and institutional housing, at a cost of Shs. 3·5 million over the Plan period. Additional departmental and institutional housing will be provided, and the financial provision for this is covered in other parts of this document. However, entitled departmental officers will continue to have access to pool housing in areas where such housing is provided. Finally, Government is committed to develop sites for the housing of East African Community staff, and the Plan III provision for this is estimated at Shs. 8 million.

21.18 There has been no salaries review since 1961, and increases in wages have since then taken place only at the lower levels of the Public Service. General reviews of salaries need to be carried out at regular intervals. Consequently, during the Plan period, Government will establish a full-scale salaries commission. The commission will study and make appropriate recommendations in respect of the general level of salaries of public officers, the removal of anomalies in the terms of service between differing grades within the Public Service, and, if required in the light of the recommendations of the committee on the housing of public officers, the wherewithal for Government to divest itself of its housing responsibilities.

21.19 Even before the institution of the salaries commission, special reviews will be carried out, as may be necessary, of the salaries and terms of service pertaining to particular grades and cadres of the Public Service. Similarly, amendments to Standing Orders, which were substantially rewritten in 1969, will be introduced as may be necessary. In general, Government will keep the terms of service under continual appraisal to ensure that whilst public officers are true servants of the public, they, in return, receive rewards commensurate with their duties and responsibilities, subject to the country's ability to meet the cost.

D. *Office Accommodation*

21.20 A further factor affecting the efficiency of Government is the provision of adequate office accommodation. Apart from the second phase of the expansion of Parliamentary Buildings, which was completed in 1969, the First and Second Five-Year Development Plans did not provide for any major expansion of office accommodation, although the Public Service increased tremendously. In the circumstances small extensions were made at a number of offices throughout the Second Five-Year Development Plan period. The Crested Tower block, completed in 1969, was substantially occupied by the East African Posts and Telecommunications Corporation. As a result of the general shortage of office accommodation, Government has been forced to rent from the open market, increasing Government's expenditure accordingly. Recently, a number of Government corporations have constructed their own office blocks, in excess of their immediate direct requirements. Additional office accommodation has also been provided at the district level.

21.21 For a number of reasons, Government should own, rather than rent, its own offices. It is more economic, and provides security and independence from private property owners. The long-term objective, therefore, is that Government and the Government corporations will construct or purchase sufficient office accommodation for their own use. In the long term, the headquarters of all Ministries will be housed in Kampala. A study will be carried out of the most rational way of transferring Ministries from Entebbe to Kampala, bearing in mind the need to provide offices and houses in Kampala, the cost of transferring Ministries, and the alternative use to which the facilities at Entebbe may be put. Special consideration will be given to the future of the veterinary services situated near Entebbe Airport. It is anticipated that apart from those technical departments for which Entebbe offers specialised facilities, the existing facilities at Entebbe will be reserved for various training and research activities (especially those undertaken in association with or under the auspices of the East African Community), for use attendant to the operation of Entebbe Airport, and for tourism.

21.22 Fuller use will be made of existing facilities. This will entail, among other things, more widespread sharing of offices. The purchase of luxury items of office equipment will be minimised. The aim will be to provide adequate and pleasant office accommodation, designed at a cost commensurate with efficiency and security.

21.23 Despite the various economies envisaged, considerable expenditure will be required over the Plan period on office accommodation of one kind or another. Uganda House in Kampala will be completed at a cost of Shs. 9 million. The entire block will be reserved for Ministries. With this block, and the new office blocks now under construction by Government corporations (who will offer Government first option to their use) there will be sufficient government office accommodation in Kampala for the foreseeable future. Although periodic reviews will be made to ascertain the demand for offices, it is not anticipated that any new office block will be required in
he Plan. However, additional small units of accommodation will be constructed
n Kampala and Entebbe, mainly by extending existing office buildings, at a
otal Plan III cost of Shs. 5·0 million. An additional provision of Shs. 4·0
nillion is made for minor improvements, alterations, and repairs to Govern-
nent buildings during Plan III. In accordance with the general policy that
iovernment should own rather than rent office accommodation, a provision
f Shs. 7 million is made to cover the purchase of a number of office blocks
resently rented in Kampala.

21.24 Government offices in the districts need considerable expansion
oncomitant with the growing number of district staff and their increasing
sponsibilities. The requirements cover both the office of the District Com-
issioner and of departmental officers in the district. To the greatest
tent possible all district offices of a general nature, including those of
partmental officers, will be provided through the Office of the President,
ntralisation being necessary to ensure that there is no duplication or under-
e of office accommodation at the district level. A Plan III allocation of
s. 10 million is made for the purpose set out in this paragraph.

II. Law and Order

1.25 The rapid growth in urban populations, the greater level of sophis-
tion in all sections of the community, and the growth in expectations which
Government could only partially satisfy, have all contributed to the recent

increase in reported crime. Total penal code offences rose from 47,000 in 1960, to 69,000 in 1966, and 94,000 in 1969, a doubling over the decade. Part of this recorded increase is a reflection of better and more comprehensive reporting of crime through an enlarged Police Force, but the greater part undoubtedly represents an increase in crime. Rising crime and unsettled security conditions have a deleterious effect on economic development. In recent years, the law enforcing agencies have expanded at a very low rate. Although the Second Five-Year Development Plan target for expenditure on law and order services (excluding defence) was Shs. 207 million, actual expenditure was only Shs. 61 million. The major reason for this shortfall was the lack of financial resources, which was itself partly a function of the unsuitability of many of the relevant projects for external official financing. There is, therefore, a considerable shortage of facilities and equipment in this sector.

21.26 An omnibus expansion in all the relevant services is required to deal with the problems of increasing and more sophisticated crime. An expansion in one service, without a concomitant expansion in another, would be disastrous. In addition, there will be vigorous and continued search for more effective and imaginative ways of overcoming the various problems associated with crime detection and suppression. Government will consider a re-organisation of the entire Police Force to ensure that the public obtains the best value for that amount of limited resources it can afford to spend on the Force. Over the whole sector, there will be a reasoned development, based on a carefully determined order of priorities, of those facilities where the need is greater for all Ugandans. This development will be subject to the availability of financial and managerial resources, and to a socio-economic determination of maximum effectiveness at least cost.

21.27 The security of the country is sound, in spite of the many and varied problems confronting it. Nevertheless much expenditure has been, and will continue to be, spent on securing and protecting the frontiers, and pacifying troubled areas.

A. *The Police*

21.28 The Police Force is undermanned and underhoused. The present ratio of the force to population (1:1,250) is low compared to other countries at similar stages of development, although a strict comparison is not altogether meaningful. The basic objective is to achieve, by 1981, a ratio of one policeman to every 600 people. This will be reached in equal stages in this and the following Five-Year Plans. For the Third Five-Year Development Plan, the Force will be expanded at an annual average rate of 9 per cent per annum with additional annual recurrent implications by 1975/76 of the order of Shs. 27 million. To improve the administration, discipline, and efficiency of the Police Force, a Police Council has been established. The Council is empowered to regulate the appointment, demotion, and dismissal of police officers, and provisions have been introduced to more effectively discipline the Force.

21.29 The rapid expansion in the Police Force will call for an ambitious programme of construction work. In total, the various projects fall into three components, in the following order of priority:

(i) provision of housing;

(ii) provision of police posts and police stations; and

(iii) provision of equipment.

21.30 The absence of suitable housing for the Police Force has had a very serious effect on the morale, discipline and efficiency of the Force, and the current situation is acute in the extreme. A total of Shs. 91·5 million will be set aside for the housing programme of the Police Force. Seven hundred and fifty units will be built for Inspectors (Shs. 12·0 million); 6,435 units for Other Ranks (Shs. 77·2 million); 13 units for Gazetted Officers posted to remote areas (Shs. 1·2 million); and 40 units for the Entebbe Airport Security Force (Shs. 1·1 million).

21.31 At present, there are 26 police stations and 70 police posts. During the Third Plan, 15 police posts will be upgraded to police stations, at a cost of Shs. 6·7 million; 20 new police posts will be established at a cost of Shs. 3·5 million, and important extensions and improvements will be carried out to 13 existing police posts, at a cost of Shs. 2·9 million. Finally, a district police headquarters will be built at Kapchorwa, at a cost of Shs. 1·7 million. A new police station will be built at Kasese, at a cost of Shs. 1·5 million. By 1976, therefore, there will be 42 police stations and 75 police posts, and this will take the country somewhere towards achieving the long-term objectives of a police post in every gombolola by the end of the century. The sole criterion for the selection of sites for the new police posts will be security considerations. A regular feature of the police programme will be the continuing work of minor repairs, alterations, and improvements to existing buildings. A Plan provision of Shs. 5·0 million is made for this purpose.

21.32 Both the housing programme and the provision of office accommodation will require furniture, office facilities and the like. This is estimated at Shs. 3·6 million. Various specialised sections of the force will be expanded to meet additional duties and responsibilities. These include the Police Airwing (Shs. 3·4 million), the Dog Section (Shs. 1·2 million), and the Government Chemist (Shs. 1·0 million). The provision of adequate radio communication between the various components of the Force is essential for proper effectiveness, and Shs. 1·9 million is allocated for this purpose. Likewise, rapid mobility is very much the key to crime prevention and detection, and an expansion of the Force must go hand in hand with an expansion of the fleet of police vehicles. Accordingly, for Plan III Shs. 20 million is provided for the purpose of new police vehicles and for the construction of a new central mechanical workshop to service and repair vehicles.

B. *Immigration*

21.33 The new Immigration Act will necessitate an expansion in staff to effectively man the many entry points into the country. Nevertheless it must be realised that fully comprehensive control is impossibly expensive. New immigration posts will be established, and others expanded, together with the provision of necessary housing at a cost of Shs. 2·0 million. At the same time, and where possible in the more remote entry points where there are police posts, an attempt will be made to "double up" police and immigration staff and facilities to reduce expenditure.

C. *Prisons*

21.34 The rapid expansion in crime has forced the prison population up to a level of about 14,000 in 1971, in spite of the various amnesties which have been granted. Available accommodation for prisoners, however, is only 9,700, and the resultant overcrowding is a threat to security, and conducive to riots. The present gross recurrent cost per prisoner is Shs. 3,500 per annum, several times the average per capita income, whilst the capital cost of providing a new prison place is about Shs. 12,000.

21.35 The dilemma facing the Prisons Service is acute. Increasing crime rates and increasing severity of sentences, forces up the prisoner population. Yet convicted prisoners must be accommodated at standards consistent with security, vocational training and rehabilitation programmes. As a result, the costs involved soar notwithstanding the efforts made to increase revenue from the various productive activities of the Prisons Service.

21.36 During the Plan, efforts will be made to apply such non-institutional punishments as suspended sentences, extramural penal employment, probation, and fines, for petty and traceable offenders. These measures will reduce the prison population and cut down the costs of the Prisons Service. It will also ease the financial burden of the absorption of the district administration prisons into the Uganda Prisons Service. In addition, significant efforts will be made by the Prisons Service to reduce to the minimum, subject to the provisions for security, the capital costs of new prisons. A major part of the whole prisons programme is the development of various productive activities through the prison farm and prisons industries development programmes. These activities develop the productive base of the economy, provide revenue to Government, reduce the costs of the Prisons Service, and afford some vocational training to the prisoners. For all these reasons, agricultural and industrial activities will be an essential aspect of all new prison accommodation capacity that is developed. The prison farm programme is described in Chapter Ten, and prison industries programme in Chapter Eleven.

21.37 The prisons development programme for Plan III will be concentrated in two areas, in the following order of priority:

(i) provision of housing for prison officers; and

(ii) construction of new prisons and improvement of existing ones, together with associated agricultural and industrial activities.

21.38 Like the Police Force, officers of the Prisons Service are inadequately housed, and the unsatisfactory conditions are detrimental to efficiency and morale. Seventy units for senior officers and 2,000 quarters for junior prisons officers will be constructed at a cost of Shs. 4·9 million and Shs. 50 million respectively. In addition, a study will be made of the feasibility of pre-fabricated housing for prisons personnel. If successful, the same process could well be applied to army and police housing programmes, as well as other housing requirements of Government.

21.39 A total of 3,000 additional prisoner places will be created over the Plan III period, at a total cost of Shs. 35·5 million. This new prisoner capacity will consist of four new 600-place prisons, three new regional women's prisons (in Kampala, the Northern Region and the Western Region) to accommodate 360 prisoners, and a new prison for 240 inmates in Kigezi. The separate provision for each of these three projects, during Plan III, is Shs. 27 million, Shs. 5·5 million and Shs. 3 million, respectively. The programme of new prisoner accommodation will be insufficient to remove elements of over-crowding and at the same time cater for the anticipated increase in the prisoner population. In Plan III, therefore, a provision of Shs. 5·0 million is made for various extensions to be carried out at a number of existing institutions. In addition, new remand prisons are urgently required at Kampala and, at a later date, Mbale. These will be provided during Plan III at a total cost of Shs. 3·1 million. This provision includes Shs. 100,000 to complete the Remand Prison in Jinja.

21.40 Although the courts were integrated some years ago, this is not yet the case with the Prisons Service. There are 200 district administration prisons, jails and lock-ups generally located at county and sub-county headquarters. These are too small and scattered to be run economically, and a start will be made to built larger units, to achieve a more rational development of prison institutions in the country. The new units will be located at or near the seats of the courts, to reduce transport costs, and land will be provided as a basis for the vocational employment of the prisoners. Shs. 20 million is provided for this purpose during Plan III.

21.41 Further provision is made as follows for the provision, expansion, or improvement of other facilities of the Prisons Service, during Plan III: Shs. 6 million for improvements to water supplies and sewerage works; Shs. 2·5 million for the electrification of prisons and staff quarters; Shs. 1·5 million for various staff amenities such as clinics, canteens and recreation centres; Shs. 3·1 million for additional vehicles; Shs. 1·5 million for telephone and radio communications; and Shs. 0·2 million for prisons armouries. It is estimated that the annual recurrent expenditure on the Prisons Service will grow by about Shs. 8 million over the Plan III period.

D. *Legal and Judicial Services*

21.42 The only development project carried out under the auspices of the Attorney-General's Chambers during the course of the Second Five-Year Development Plan was the broadening of the Law School to become the Law Development Centre. In spite of the considerable lack of staff, the Centre has been able to carry out most of the functions envisaged for it, including a number of courses for magistrates, lawyers and others in the Public Service, and law reform and revision. This programme will continue in the Third Plan, and the activities at the centre will be developed in close co-operation with the

Law Faculty at Makerere University. During Plan III, Shs. 1·0 million is provided for additional facilities in the form of office accommodation and staff houses at the Centre.

21.43 Over the course of Plan III, a start will be made in posting resident State Attorneys to a number of district headquarters, to keep pace with the expansion of court work there. Staff so posted will have access to pool housing and office accommodation available in the district headquarters.

21.44 The developments in other areas of the law and order sector have not been paralleled by any equivalent expansion in the Judiciary. The functional integration of courts was completed in 1966, but this was not accompanied by an analysis of the physical requirements of the Judiciary, and the lack of physical facilities has adversely affected the efficiency of the courts. Partly as a result of this, Government has been considering the future of the administration of justice in Uganda, and has decided that a full-scale review is necessary and urgent. The review, which will be carried out early in the Plan period, will assess the efficiency of the courts, estimate manpower requirements for the Judiciary, and make appropriate recommendations.

21.45 In the meantime, and irrespective of the recommendations of the proposed review, much court and related office accommodation has to be provided as a matter of urgent necessity, as in many places such accommodation is non-existent or totally inadequate. New assize court buildings will be built at Mbarara, Arua and Moroto, and various improvements carried out to court buildings at other urban centres, at a cost of Shs. 4·5 million. Court halls and office units will be built at various sub-county headquarters at a cost of Shs. 2·8 million. For a number of reasons, housing must also be provided for magistrates at the seats of the courts where pool housing is not provided. Until the review referred to above is completed, it will not be possible to indicate the number of units required, but Shs. 5·0 million is provided for this purpose during Plan III.

21.46 Provision was made in the Second Five-Year Development Plan for the building of a new High Court. The present building was constructed in 1930, and is somewhat inadequate for its present uses. Towards the end of the Second Five-Year Development Plan period, final designs for a new high court building were prepared. The building will be completed in stages and Shs. 10 million is provided for the stages to be undertaken during Plan III.

E. *Defence*

21.47 There has been a very rapid expansion in the Uganda Armed Forces over the past decade, with the build-up to the present strength from the very low forces inherited at the time of Independence. The present Government is fully aware of the highly significant role played by the Armed Forces in nation-building, and the various tasks they have to fullfil in successfully defending the security of the country. Such activities are, however, a major claim on the resources of the Government. As far as possible, armed forces personnel will undertake more self-help projects and will participate more fully in similar activities by the communities in the areas in which they are stationed. In this way, the Armed Forces will be brought closer to the mass of the people.

III. The Foreign Service

21.48 The Foreign Service now mans 11 embassies, of which four were opened during the course of the Second Five-Year Development Plan. The Government has seen with great satisfaction the very valuable role played by the Foreign Service and the very high reputation it currently enjoys. Nevertheless, the operations of the service cost much in highly trained manpower, and in capital and recurrent expenditure.

21.49 There are ways and means of economising on expenditure and obtaining the best value for money in this field. The possibility of further multi-accrediting, whereby one mission represents Uganda in more than one country, will be developed further. Very careful attention will be paid to ensuring that Uganda missions abroad concern themselves more with matters of economic and commercial interest to Uganda, such as trade, aid and tourism. Further, consideration will be given to the opening of consulates (which cost less in money and manpower) rather than embassies, and to the appointment of honorary consuls in neighbouring countries where this would promote an expansion of trade. In general, ostentatious luxury will be eliminated, and the facilities and manpower provided for the Foreign Service will be commensurate with the financial resources of the country.

21.50 A Plan III provision of Shs. 7·5 million is made for necessary capital developments, in particular the outright purchase of offices and houses, where this represents a long-term saving on recurrent expenditure. To this end, the plot presently owned by Government in New York, will be developed to house the Uganda Mission to the United Nations. Arrangements for the construction and ownership of the building will be finalised early in the Plan period. It is estimated that the building will cost Shs. 21·0 million, and this expenditure will be financed from sources other than a direct Government contribution. In addition, a short-wave wireless telegraphy system will be installed to increase the speed and security of communication between the headquarters at the Ministry of Foreign Affairs and the overseas missions. Phase I of the installation, which is provisionally estimated to cost Shs. 2·5 million, will be established in the early part of the Plan III period, after which the efficiency of the system will be reviewed before embarking on Phase II. Any additional expansion in the Foreign Service will, of course, be possible under the recurrent budget, within the limits set for the Ministry of Foreign Affairs.

IV. Other General Services

A. *Surveying and Mapping*

21.51 Uganda is one of the best mapped countries in Africa, and the well established programmes of mapping and surveying by the Land and Surveys Department will be continued into Plan III. Further, small scale maps and township maps will be prepared, and the topographical mapping of Uganda at the scale of 1:50,000 will be completed. Aerial photography will be used extensively, and the third edition of the *Uganda Atlas* will be published.

All these items will cost a total of 1·7 million. Additional surveying and mapping equipment at cost of Shs. 1·9 million, and further housing for government survey staff costing Shs. 2·0 million will be provided during Plan III. Finally, the Survey Training School, which is at present housed in unsatisfactory conditions in Entebbe, will move to a new site, at a cost of Shs. 3·0 million, and the enrolment will be increased to 120 students.

B. *Town Boards*

21.52 Government contributes in a limited way to improvement of services in those urban areas administered by Town Boards. Town Boards are not eligible for loans from the Local Authorities Loan Fund. Such improvements take the form of street lighting, road and drain improvements and the provision of markets. A total of Shs. 10·0 million will be provided by Government for these purposes over the Plan III period.

C. *Government Stores*

21.53 The Government has administered a central supplies branch for a number of years, and the unit acts as the central buying and distributing agent for all general Government stores, supplies and equipment. During the course of the Plan period, improvements will be carried out to the unallocated stores building in Kampala, and to the district stores offices in Jinja, Gulu, Kasese and elsewhere. Details of the programme are now being finalised, and the cost is estimated at Shs. 1·1 million.

D. *Statistical Surveys and Research*

21.54 The provision and preparation of adequate statistical services, and the judicious choice and execution of special studies of an economic nature will be crucial to the implementation of this Plan and the preparation of future plans. The Statistics Division of the Ministry of Finance and Planning acts as the central service for Government. During Plan III, the work and therefore the staff, of the Statistics Division will be considerably expanded. In addition to the regular work of the Division in the preparation of statistical publications and the established annual surveys, a second census of agriculture and a full scale food consumption survey will be carried out, and special surveys will be conducted to improve the national accounts and employment statistics. A regular census of construction will also be introduced.

21.55 In 1970, Government established the National Research Council within the then Ministry of Planning and Economic Development. The Council is intended to promote research in those fields that promote national development priorities, to co-ordinate research activities in the country as a whole, and generally to provide advice to Government on the direction and management of research. In this way, the available financial and human resources for research would be more effectively and economically utilised. The Council has set up six committees to cover the various fields of research. The Council and its committees are now drafting co-ordinated research programmes to cover the entire Plan III period.

E. *Other Items of Expenditure*

21.56 A permanent Memorial Independence Stand will be constructed at Kololo Air Strip at a cost of Shs. 200,000. Apart from the necessity of a suitable remembrance of the achievement of Independence and other great occasions, the new stand will save the cost of constructing and dismantling the temporary structure used for the various celebrations held at Kololo.

21.57 At present, considerable customs and sales tax revenue is lost because of unsatisfactory administrative control and inadequate physical facilities. It is planned to overcome these problems by constructing a series of special customs depots. A large depot will be installed in Kampala at the outset of the Plan, and at a later stage, depots will be installed at Entebbe, Jinja, and in the Tororo/Mbale area. The entire programme will cost Shs. 20 million during Plan III. A certain amount of specialised equipment required for tax collection and tax investigation purposes will be purchased during the Plan III period, at an estimated cost of Shs. 200,000

21.58 Subscriptions to a number of international or regional organisations are entered as statutory expenditure on the development budget. Such expenditure is estimated at Shs. 5·0 million over the Plan III period.

V. Summary of Government Expenditure

21.59 The Plan III Government development expenditure on the projects described in this Chapter amounts to Shs. 481·0 million, and is summarised by major programme in Table XXI—2.

Table XXI—2. General Administrative and Security Services—Government Development Expenditure*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	PUBLIC SERVICE TRAINING PROGRAMME		6·9	—
21—1	Institute of Public Administration	MPSCA	6·9	—
	GOVERNMENT HOUSING PROGRAMME		81·5	51·5
21—2	Provision of Pool Housing for Public Officers	MPSCA	70·0	40·0
21—3	Minor Repairs and Improvements to Pool Institutional Housing	MWH	3·5	3·5
21—4	E.A. Community Housing—Site Development	MWH	8·0	8·0
	GOVERNMENT OFFICE ACCOMMODATION PROGRAMME		35·0	25·0
21—5	Completion of Uganda House	OP	9·0	9·0
21—6	Additional Office Accommodation, Kampala and Entebbe	OP	5·0	2·0
21—7	Minor Repairs and Improvements to Government Buildings	MWH	4·0	4·0
21—59	Purchase of Office Blocks, Kampala ..	OP	7·0	—
21—8	Office Accommodation—Districts ..	OP	10·0	10·0
	POLICE HOUSING PROGRAMME		91·5	58·7
21—9	Police Housing for Inspectors	MIA	12·0	7·4
21—10	Police Housing for Other Ranks ..	MIA	77·2	49·6
21—11	Police Housing in remote areas for Gazetted Officers	MIA	1·2	1·2
21—12	Police Housing—Entebbe Airport Security Force	MIA	1·1	0·5

Table XXI—2. General Administrative and Security Services—Government Development Expenditure*—*continued*

Project Code Number	Programme/Project Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	POLICE POST AND STATION BUILDING PROGRAMME		21·3	12·9
21—13	Up-grading of Police Posts to Police Stations	MIA	6·7	—
21—14	Establishment of new Police Posts	MIA	3·5	3·5
21—15	Improvements to Police Posts	MIA	2·9	2·9
21—16	District Police Headquarters, Kapchorwa	MIA	1·7	—
21—17	Police Station, Kasese	MIA	1·5	1·5
21—39	Miscellaneous Repairs and Improvements to Police Buildings	MIA	5·0	5·0
	POLICE EQUIPMENT PROGRAMME		30·1	23·4
21—18	Police Force—Office Facilities and Furniture	MIA	3·6	2·5
21—19	Expansion of Police Airwing	MIA	3·4	3·4
21—20	Expansion of Police Dog Section	MIA	1·2	0·6
21—22	Police Force—Radio Communication Equipment	MIA	1·9	1·9
21—23	Police Force—Vehicles, and Central Mechanical Workshop	MIA	20·0	15·0
	IMMIGRATION CONTROL PROGRAMME		2·0	2·0
21—24	Provision of Offices and Housing for Immigration Department	MIA	2·0	2·0
	FACILITIES FOR GOVERNMENT CHEMIST PROGRAMME		1·0	1·0
21—21	Expansion of Offices and Facilities for the Government Chemist	MIA	1·0	1·0
	PRISONS OFFICERS HOUSING PROGRAMME		54·9	38·8
21—25	Prisons Service—Senior Staff Housing	MIA	4·9	4·0
21—26	Prisons Service—Junior Staff Housing	MIA	50·0	34·8
	PRISONS DEVELOPMENT PROGRAMME		78·4	44·4
21—27	New Large Prisons	MIA	27·0	13·5
21—28	Regional Women's Prisons	MIA	5·5	3·7
21—29	Kikungiri Prison, Kigezi	MIA	3·0	3·0
21—30	Miscellaneous Extensions and Improvements at existing Prisons	MIA	5·0	5·0
21—31	Remand Prisons	MIA	3·1	1·6
21—32	Integration of District Administrations Prisons in Uganda Prisons Service	MIA	20·0	4·0
21—33	Improvements to Water Supplies and Sewage Works at existing Prisons	MIA	6·0	6·0
21—34	Electrification of Prisons and Staff Quarters	MIA	2·5	2·5
21—35	Prisons Service—Staff Amenities	MIA	1·5	1·5
21—36	Prisons Service—Additional Vehicles	MIA	3·1	2·0
21—37	Prisons Service—Telephone and Radio Communications	MIA	1·5	1·5
21—38	Prison Armouries	MIA	0·2	0·1
	LEGAL AND JUDICIAL SERVICES PROGRAMME		23·3	13·5
21—58	Improvements to Law Development Centre	AG	1·0	0·1
21—40	Provision of new and expansion of existing Assize Court Buildings	J	4·5	3·0
21—41	Provision of Court Halls and Court Offices	J	2·8	1·4
21—42	Institutional Housing for Magistrates	J	5·0	4·0
21—43	New High Court Building	J	10·0	5·0
	FOREIGN SERVICE DEVELOPMENT PROGRAMME		10·0	3·0
21—44	Diplomatic Missions—Offices and Staff Accommodation	MFA	7·5	3·0
21—45	Diplomatic Missions—Telegraphy System, Phase I	MFA	2·5	—
	SURVEY DEVELOPMENT PROGRAMME		8·6	8·1
21—46	Topographical Mapping	MMWR	1·1	1·1
21—47	Aerial Photography	MMWR	0·5	0·5
21—48	Third Edition of Atlas of Uganda	MMWR	0·1	0·1
21—49	Survey and Mapping Equipment	MMWR	1·9	1·9
21—50	Housing for Survey Staff	MMWR	2·0	1·5
21—51	Transfer of Survey Training School	MMWR	3·0	3·0

Table XXI—2. General Administrative and Security Services—Government Development Expenditure*—*continued*

Project Coge Number	Programme/Projegt Title	Implementing Agency†	Allocation in Bank	High Priority Allocation
			Shs. m.	*Shs. m.*
	TOWNS BOARDS DEVELOPMENT PROGRAMME		10·0	5·0
21—52	Contribution to Town Boards	MLA	10·0	5·0
	GOVERNMENT STORES DEVELOPMENT PROGRAMME		1·1	1·1
21—60	Expansion and Improvements to Government Stores	MWH	1·1	1·1
	FINANCIAL ADMINISTRATION PROGRAMME . .		20·2	6·2
21—54	Provision of Customs Depots	MFP	20·0	6·0
21—56	Equipment for Tax Collection purposes . .	MFP	0·2	0·2
	GENERAL ADMINISTRATIVE AND COMMON SERVICES PROGRAMME		5·2	5·2
21—53	Memorial Independence Stand at Kololo . .	OP	0·2	0·2
21—55	Statutory Expenditure (Consolidated Fund Service 11)	MFP	5·0	5·0

*The relationship between the bank and high priority allocation to each project is explained in Chapter Eight (paragraphs 8.7—8.10). The system of code numbers associated with each project is described in Appendix I.

†OP =Office of the President.
J =Judiciary.
MPSCA =Ministry of Public Service and Cabinet Affairs.
MLA =Ministry of Local Administrations.
AG =Attorney-General's Chambers.
MFA =Ministry of Foreign Affairs.
MFP =Ministry of Finance and Planning.
MMWR =Ministry of Mineral and Water Resources.
MWH =Ministry of Works and Housing.
MIA =Ministry of Internal Affairs.

APPENDICES

APPENDIX I

LIST OF GOVERNMENT DEVELOPMENT PROJECTS

1. All Plan III projects mentioned in this document to be carried out by Government are summarised in Table A—I. The projects are arranged to correspond to the allocation of Ministerial responsibilities, as at the beginning of Plan III.

2. Column 1 of Table A—I contains the code number of each project. The purpose of the code-numbering system is to permit easy reference to the projects, and to facilitate a comparison between the Plan and the Annual Estimates of Development Expenditure, as the Plan III project code numbers will be entered against the corresponding entries in the Estimates. The first set of digits in the code number refer to the chapter wherein the project is described; the second set of digits is merely the serial number of the project.

3. Column 3 of Table A—I provides the chapter and paragraph number in the Plan where the project is described.

4. Columns 4 and 5 of Table A—I refer to the "Bank" and "High Priority" allocations to each project. The purpose of this distinction is explained fully in paragraphs 8.7–8.10, and the totals against each Ministry correspond to Table VIII—5.

5. There is a difference of Shs. 0·8 million between the grand total of development expenditure as summarised at the end of each chapter (Table VIII—4) and the total of expenditure as summarised by Ministry in Table A—I. This expenditure relates to three projects (10—68, 18—54, 17—43) which are not described in the relevant chapter but which are listed in Table A—I.

TABLE A—I

LIST OF GOVERNMENT DEVELOPMENT PROJECTS

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
			Shs. m.	*Shs. m.*
OFFICE OF THE PRESIDENT				
11—12	Government Printing Press, Phase II ..	11·36	2·8	2·8
21— 5	Completion of Uganda House	21·23	9·0	9·0
21— 6	Additional Office Accommodation—Kampala and Entebbe	21·23	5·0	2·0
21—59	Purchase of Office Blocks, Kampala ..	21·23	7·0	—
21— 8	Office Accommodation in Districts ..	21·24	10·0	10·0
21—53	Memorial Independence Stand at Kololo ..	21·25	0·2	0·2
	TOTAL ..		34·0	24·0
JUDICIARY				
21—40	Provision of new and expansion of existing Asian Court Buildings	21·45	4·5	3·0
21—41	Provision of Court Halls and Court Offices	21·45	2·8	1·4
21—42	Institutional Housing for Magistrates ..	21·45	5·0	4·0
21—43	New High Court Building	21·46	10·0	5·0
	TOTAL ..		22·3	13·4
MINISTRY OF PUBLIC SERVICE AND CABINET AFFAIRS				
21— 1	Expansion of the Institute of Public Administration	21·12	6·9	—
21— 2	Provision of pool housing for Public Officers	21·16	70·0	40·0
	TOTAL ..		76·9	40·0
MINISTRY OF LOCAL ADMINISTRATIONS				
21—52	Contribution to Town Board	21·32	10·0	5·0
	TOTAL ..		10·0	5·0

LIST OF GOVERNMENT DEVELOPMENT PROJECTS—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
CONTRIBUTIONS TO LOCAL AUTHORITIES LOAN FUND			Shs. m.	Shs. m.
7—1	Contributions to L.A.L.F.—unspecified Projects ..	7·41	60·0	30·0
14—21	Contributions to L.A.L.F.—City and Town Road Development	14·29	35·0	15·0
19—1	Contributions to L.A.L.F.—Site and Service Development	19·12	20·0	12·0
	TOTAL ..		115·0	57·0
MINISTRY OF FOREIGN AFFAIRS				
21—44	Diplomatic Missions—Offices and Staff Accommodation	21·50	7·5	3·0
21—45	Diplomatic Wireless Telegraphy system, Phase I ..	21·50	2·5	—
	TOTAL ..		10·0	3·0
ATTORNEY-GENERAL'S CHAMBERS				
21—38	Improvements at Law Development Centre	21·42	[illegible]	·1
	TOTAL ..	—	1·0	·1
MINISTRY OF FINANCE AND PLANNING				
3—1	Capital Subvention to Family Planning Association ..	3·17	1·0	1·0
7—2	Karamoja Development Programme—National Provision ..	7·20	20·0	20·0
7—3	South Busoga Development Programme —National Provision ..	7·21	1·0	1·0
9—1	Economic and Pre-Investment Studies ..	9·14	20·0	10·0
21—24	Provision of Customs Depots ..	21·56	20·0	6·0
21—25	Statutory Expenditure (Consolidated Fund Service 11) ..	21·57	5·0	5·0
21—26	Equipment for Tax Collection Purposes ..	21·56	·2	·2
	TOTAL ..		67·2	43·2

List of Government Development Projects—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
Contributions to Local Investment Fund			*Shs.* m.	*Shs.* m.
8— 1	Untied allocations to Government Corporations	8·54	10·0	10·0
10— 4	Contribution to U.D.B. Short-term Credit	10·22	15·0	12·0
10—79	Contribution to U.D.B.—Credit for Production of Other Crops	10·23	10·0	6·0
10—93	Contribution to U.D.B.—Primary Society Storage Facilities	10·32	10·0	10·0
10—94	Contribution to U.D.B.—Co-operative Union Storage Facilities	10·33	6·0	6·0
10— 5	Contribution to U.D.B.—Credit for Sugar Outgrowers	10·91	8·0	8·0
10—11	Contribution to U.D.B.—Credit for Tea Outgrowers	10·93	28·6	18·0
10— 6	Contribution to U.D.B.—Credit for Flue-cured Tobacco Outgrowers	10·96	20·4	20·4
10—99	Contribution to U.D.B.—Groundnut Grading Units	10·99	1·5	1·5
10— 9	Contribution to U.D.B.—Credit for Beef Development	10·125	20·0	15·0
10—10	Contribution to U.D.B.—Credit for Dairy Development	10·127	20·0	15·0
11— 2	Contribution to U.D.B.—Small Scale Industry Credit	11·27	10·0	10·0
11— 5	Contribution to U.D.B.—Development of Cotton-ginning Industry	11·32	16·4	16·4
11— 6	Contribution to U.D.B.—Improvement of Coffee Processing	11·34	5·0	—
13— 3	Contribution to U.D.B.—Loans to Commercial Traders	13·10	2·0	2·0
	Sub-Total (U.D.B.) ..		172·9	140·3
10— 7	Contribution to P.M.B.—Tobacco Warehouse in Kampala	10·96	4·4	4·4
10— 8	Contribution to P.M.B.—General Storage Facilities	10·34	20·0	20·0
	Sub-Total (P.M.B.) ..		24·4	24·4

LIST OF GOVERNMENT DEVELOPMENT PROJECTS—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
CONTRIBUTIONS TO LOCAL INVESTMENT FUND—*cont.*			*Shs.* m.	*Shs.* m.
10—55	Contribution to A.D.C.—U.T.G.C. Tea Programme (Leaf Collection and Project Administration) ..	10·93	34·7	19·0
11—7	Contribution to A.D.C.—Tea Processing Factories	11·35	5·0	5·0
11—8	Contribution to A.D.C.—National Sugar Works	11·39	55·0	55·0
	Sub-Total (A.D.C.) ..		94·7	79·0
10—80	Contribution to L.D.C.—Milk Cooling and Collecting Centres ..	10·130	1·0	1·0
11—9	Contribution to L.D.C.—Milk Processing Units	11·42	2·0	1·0
	Sub-Total (L.D.C.) ..		3·0	2·0
11—10	Contribution to U.D.C.—Lira Textile Mill	11·51	60·0	60·0
11—11	Contribution to U.D.C.—Unspecified Industrial Projects	11·75	40·0	40·0
	Sub-Total (U.D.C.) ..		100·0	100·0
12—4	Contribution to T.D.C.—Hotel Development	12·27	20·0	20·0
16—14	Contribution to N.W.B.	16·24	93·5	83·5
19—3	Contribution to N.C.C.	19·15	20·0	15·0
11—14	Contribution to L.I.F.—Purchase of Shares in Industrial Companies ..	11·23	100·0	100·0
13—2	Contribution to L.I.F.—Purchase of Shares in Commercial Banks	13·45	42·0	42·0
13—1	Contributions to L.I.F.—Purchase of Shares in Insurance Companies ..	13·54	8·0	8·0
			150·0	150·0
	TOTAL ..		688·5	624·2

LIST OF GOVERNMENT DEVELOPMENT PROJECTS—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
			Shs. m.	*Shs.* m.
MINISTRY OF INDUSTRY				
11— 1	Development of Management Training and Advisory Centre/Industrial Development Centre	11·27	8·3	8·3
11— 3	Ntinda Industrial Estate	11·28	14·8	14·8
11— 4	Industrial Estates in urban areas other than Kampala	11·28	13·0	6·5
	TOTAL ..		36·1	29·6
MINISTRY OF AGRICULTURE AND FORESTRY				
10— 1	Seed Multiplication Phase I	10·10	2·0	2·0
10—100	Seed Multiplication Phase II	10·10	21·3	21·3
10— 2	Tractor Hire Service—Operating Costs ..	10·14	80·0	30·0
10— 3	Ox Cultivation	10·16	1·0	1·0
10—12	Crop Farming Subsidies	10·28	10·0	6·0
10—17	Mubuku Irrigation Development ..	10·39	10·0	10·0
10—19	Labora and Atera Irrigation Schemes ..	10·40	2·0	2·0
10—20	Omunyal and Okokorio Irrigation Schemes	10·40	2·5	—
10—21	Swamp Reclamation in Kigezi and Other Areas	10·40	3·0	2·0
10—22	Agoro Irrigation Scheme	10·41	0·1	0·1
10—23	Assistance to miscellaneous Irrigation Works	10·41	0·2	0·2
10—25	Co-operative Settlement Schemes ..	10·44	3·0	3·0
10—29	Bush Clearing Units—Replacement of Equipment (Department of Agriculture)	10·49	30·0	10·0
10—28	Bush Clearing Units—Operating Costs (Department of Agriculture)	10·49	15·0	15·0
10—30	Expansion of Agricultural Research Sub-Stations	10·53	1·0	1·0
10—31	Expansion of Variety Trial Centres ..	10·53	4·9	4·9
10—32	Horticultural Research Programme ..	10·54	2·1	2·1
10—33	Tobacco Research Programme ..	10·54	1·3	1·3
10—34	Plant Quarantine Station	10·54	2·7	—

LIST OF GOVERNMENT DEVELOPMENT PROJECTS—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
MINISTRY OF AGRICULTURE AND FORESTRY—*cont.*			*Shs.* m.	*Shs.* m.
10—40	Information and Visual Aid Centres (Min. of Agriculture, Forestry and Co-operatives)	10·67	2·0	1·0
10—43	Expansion of Land Planning Services ..	10·68	5·0	1·5
10—44	Expansion at Bukalasa and Arapai Agricultural Colleges	10·71	4·2	4·2
10—48	Establishment of National College of Agricultural Mechanisation	10·72	1·2	1·2
10—49	Development of District Farm Institutes, Rural Training Centres and Co-operative Wings	10·78	13·0	13·0
10—54	Cotton Spraying Subsidy Scheme	10·86	50·0	30·0
10—57	Fire-cured Tobacco Programme ..	10·97	1·8	1·8
10—58	Cocoa Development	10·100	10·0	10·0
10—59	Citrus Development	10·101	2·0	2·0
10—61	Silk Development	10·103	0·5	0·5
10—24	Kibimba Irrigation and Rice Production Scheme	10·104	10·0	10·0
10—63	Haricot Beans Development	10·105	2·5	2·5
10—64	Horticultural Development	10·109	3·0	3·0
10—65	Sim-Sim Development	10·107	1·0	1·0
10—66	Softwood Afforestation Programme ..	10·116	14·5	14·5
10—67	Forest Roads	10·118	1·5	1·5
10—69	Additional Equipment—(Forestry Department)	10·118	1·0	1·0
10—68	Katugo, Charcoal Unit	—	0·2	0·2
11—18	Demonstration Saw Mill—West Nile ..	11·53	1·5	1·5
10—50	Non-Project Housing (Ministry of Agriculture and Forestry)	10·151	25·0	11·0
10—52	Additional Vehicles (Ministry of Agriculture and Forestry)	10·151	2·0	2·0
	TOTAL ..		344·0	225·3

LIST OF GOVERNMENT DEVELOPMENT PROJECTS—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
			Shs. m.	*Shs.* m.
MINISTRY OF ANIMAL INDUSTRY, GAME AND FISHERIES				
10—13	Livestock Equipment Subsidies ..	10·28	2·0	2·0
10—16	Tsetse Fly Eradication	10·37	40·0	40·0
10—14	Bush Clearing Units—Operating Costs (Department of Veterinary Services) ..	10·49	1·5	1·5
10—35	General Animal Husbandry Research Facilities	10·55	2·0	2·0
10—36	Aswa Valley Fact-Finding Beef Ranch ..	10·55	4·0	4·0
10—37	Transfer of Animal Health Research Centre /Livestock Experimental Station ..	10·56	5·0	—
10—38	Regional Animal Health Research Laboratory	10·56	4·0	4·0
10—41	Veterinary Dispensaries	10·64	2·5	2·5
10—42	Information and Visual Aids Centres (Min. of Animal Industry, Game and Fisheries)	10·67	1·0	1·0
10—46	Veterinary Training Institute (Development of new site)	10·74	2·0	2·0
10—70	Tick Control	10·121	30·0	30·0
10—71	Foot and Mouth Disease Control ..	10·121	20·0	20·0
10—72	Mobile Epidemic Disease Control Scheme	10·121	2·6	2·6
10—73	Rinderpest Campaign	10·121	2·0	2·0
10—15	Stock Routes and Quarantines	10·122	2·0	2·0
10—98	Development of Ankole-Masaka Beef Ranching Scheme	10·125	25·0	25·0
10—74	Development of new Beef Ranches (other than Ankole-Masaka)	10·125	20·0	20·0
10—75	Development of Mbarara Stock Farm and other on-going Ranching Schemes ..	10·125	3·0	3·0
10—77	Importation of Exotic Cattle	10·127	20·0	20·0
10—78	Dairy Breeding Farms	10·128	25·0	19·0
10—81	Artificial Insemination Services	10·129	3·0	3·0
10—82	Dairy Supplies and Storage Facilities ..	10·131	6·6	6·6

List of Government Development Projects—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
MINISTRY OF ANIMAL INDUSTRY, GAME AND FISHERIES—*continued*			*Shs. m.*	*Shs. m.*
10—97	Improvement of Livestock Markets	10·132	2·5	2·5
10—83	Pig Development	10·133	1·0	1·0
10—84	Goat Development	10·134	1·2	1·2
10—85	Bee-Keeping Development	10·136	0·5	0·5
10—86	Poultry Development	10·137	2·5	2·5
10—87	Hides and Skins Development	10·138	1·6	1·6
10—92	Fisheries Equipment Subsidy	10·28	0·5	0·5
10—39	General Fisheries Research	10·58	1·0	1·0
10—90	Fish Processing Research	10·58	0·5	0·5
10—47	Expansion of Fisheries Training Institute	10·76	1·4	1·0
10—88	Deep-water Fisheries Development	10·140	4·0	4·0
10—89	Fish-landing and Marketing Improvements	10·141	2·4	2·4
10—91	Fish farming and exploitation of new species	10·142	2·8	1·0
10—95	Launches for Demonstration and Experimental Work	10·144	0·5	0·5
10—96	Fisheries Department Patrol Launches	10·144	0·2	0·1
12—11	Entebbe Zoological Gardens	12·18	0·3	0·3
12— 1	Anti-Poaching Equipment	12·17	0·6	0·6
12— 2	Refrigerated Transport and Cold Storage Units	12·19	0·3	0·3
12— 3	Eland Ranching-Pilot Project	12·20	0·2	0·2
12—12	Introduction of Training programmes in wildlife management	12·21	0·5	—
12— 5	National Parks Development Programme—Improvement and Construction of roads	12·10	15·9	15·9
12— 6	National Parks Development Programme—Light aircraft landing strips	12·11	1·0	1·0
12— 9	National Parks Development Programme—Launches, ferries and hiring vehicles	12·12	5·0	5·0
12—10	National Parks Development Programme—Staff housing and facilities, miscellaneous equipment and conservation centres	12·13	7·5	5·0

LIST OF GOVERNMENT DEVELOPMENT PROJECTS—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
			Shs. m.	*Shs.* m.
MINISTRY OF ANIMAL INDUSTRY, GAME AND FISHERIES—*continued*				
12— 7	National Parks Development Programme—Institute of Ecology	12·14	1·0	1·0
12— 8	National Parks Development Programme—Establishment of new National Parks ..	12·15	10·0	—
10—51	Non-project housing (Ministry of Animal Industry, Game and Fisheries) ..	10·151	10·0	5·0
10—53	Additional Vehicles (Ministry of Animal Industry, Game and Fisheries) ..	10·151	1·5	1·5
	TOTAL ..		299·6	268·3
MINISTRY OF COMMERCE AND CO-OPERATIVES				
10—45	Establishment of Co-operative College, Kigumba	10·73	4·6	4·6
10—56	Flue-cured Tobacco Smallholder Programme (Project Administration) ..	10·96	11·5	11·5
	TOTAL ..		16·1	16·1
MINISTRY OF MINIREAL AND WATER RESOURCES				
21—46	Topographical Mapping	21·51	1·1	1·1
21—47	Aerial Photography	21·51	0·5	0·5
21—48	Third Edition of Atlas of Uganda ..	21·51	0·1	0·1
21—49	Survey and Mapping Equipment ..	21·51	1·9	1·9
21—50	Housing for Survey Staff	21·51	2·0	1·5
21—51	Transfer of Survey Training School ..	21·51	3·0	3·0
11—15	Equipment and Facilities for Mineral Exploration	11·94	5·0	5·0
16—10	Borehole Construction—Equipment ..	16·11	7·0	7·0
16—11	Borehole Construction Operating Costs ..	16·11	37·4	37·4

List of Government Development Projects—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
MINISTRY OF MINERAL AND WATER RESOURCES—*cont.*			*Shs.* m.	*Shs.* m.
16—12	Maintenance of Boreholes	16·11	10·0	10·0
16—13	Borehole Drilling Division—Transfer of Headquarters	16·11	2·0	2·0
10—76	Dams and Valley Tanks	10·19	20·0	13·0
16—1	Hydrometeorological Survey of Lakes Victoria, Kyoga and Albert	16·3	3·0	3·0
16—2	Equipment for River Basin Survey	16·5	1·8	1·0
16—3	Irrigation Engineering Services	16·5	1·0	0·5
16—4	Investigation of Karamoja Sand Rivers	16·5	4·5	4·5
16—5	Hydrological Investigations and Research—Miscellaneous	16·5	1·0	0·5
16—6	Bunyaruguru and Paidha Water Schemes	16·12	0·4	0·4
16—8	Lake Nakivali Water Supply Phase II	16·13	4·1	2·0
16—9	Other Rural Piped Water Supplies	16·13	4·0	4·0
	TOTAL		109·8	98·4
MINISTRY OF EDUCATION				
18—2	Primary Education—Development Classes	18·10	6·0	6·0
18—1	Primary Education in Karamoja	18·11	2·0	0·7
18—54	Nakasero and Kitante Primary Schools	—	0·4	0·4
18—3	Improvements and Expansion of existing P.T.T. Grade II Colleges	18·24	35·2	35·2
18—4	New P.T.T. Grade II Colleges	18·25	50·0	40·0
18—5	Renovation of P.T.T. In-Service Colleges	18·27	2·4	2·4
18—6	Expansion and Improvement of P.T.T. Grade III Colleges	18·28	10·2	10·2
18—7	Secondary Education—New Classes (S1-S4)	18·44	23·4	0·9
18—48	Secondary Education—New Classes (S5-S6)	18·44	9·0	9·0
18—8	Secondary Education—Facilities for Vocational Subjects	18·44	8·0	4·0
18—9	Secondary Teachers Houses	18·44	9·6	6·6
18—10	Hostels for Students in Urban Areas	18·44	1·0	1·0
18—11	Secondary Education—Miscellaneous Items	18·44	10·0	10·0

List of Government Development Projects—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
MINISTRY OF EDUCATION—*cont.*			*Shs.* m.	*Shs.* m.
18—12	I.D.A. Secondary Schools Project	18·44	8·0	8·0
18—13	Assistance to Private Secondary Schools	18·44	2·0	—
18—14	N.T.C. Demonstration Farm	18·52	0·2	0·2
18—15	N.T.C. Staff Housing	18·52	0·8	0·8
18—16	N.T.C. Student Centre	18·52	0·3	—
18—17	N.T.C. Demonstration School	18·52	0·7	0·7
18—18	N.T.C. Completion of Student accommodation	18·52	1·0	1·0
18—52	N.T.C. Expansion for Vocational Subjects	18·52	1·7	1·7
18—47	Curriculum Development Centre	18·54	3·2	3·2
18—19	Expansion and improvement of Secondary Vocational Schools	18·57	15·6	8·8
18—20	Expansion and improvement of Technical Schools	18·59	6·4	5·1
18—53	U.T.C.—Equipment for Technical Teacher Training	18·64	0·1	0·1
18—23	U.T.C. Hostel Accommodation	18·66	4·1	4·1
18—24	U.T.C. Staff Housing	18·66	2·9	2·3
18—25	U.T.C.—General Teaching Facilities	18·66	1·0	1·0
18—26	U.C.C.—Staff Housing	18·69	1·0	1·0
18—49	U.C.C.—Completion of General Expansion and Improvements	18·69	0·6	0·6
18—56	New Commercial College, Jinja	18·70	1·8	—
18—27	Faculty of Technology—Part I of Phase I	18·84	10·8	10·8
18—55	Faculty of Technology—Part II of Phase I	18·84	9·1	9·1
18—28	Faculty of Veterinary Science—Phases I and II	18·85	23·1	23·1
18—29	Teaching block for Commerce, Law and Geography	18·86	3·5	—
18—30	Makerere—Faculty of Agriculture	18·87	1·7	1·7
18—31	Medical School—Pathology Building	18·88	1·7	1·7
18—32	Medical School—Teaching Facilities for Paediatrics and Ophthalmology	18·88	25·0	4·5

LIST OF GOVERNMENT DEVELOPMENT PROJECTS—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
			Shs. m.	*Shs. m.*
MINISTRY OF EDUCATION—*cont.*				
18—33	Makerere—Facilities for the Faculty of Science	18·89	2·0	—
18—34	Makerere—Facilities for the Faculty of Education	18·89	2·0	—
18—37	Makerere—School for Librarianship	18·89	0·6	0·6
18—38	Makerere—University Library	18·89	1·5	1·5
18—50	Makerere—Offices and General Teaching Facilities	18·89	0·1	0·1
18—39	Makerere University Centre	18·89	3·0	—
18—40	Sports Facilities at Makerere	18·89	1·0	—
18—41	Makerere—Completion of Men's and Women's Halls of Residence	18·91	2·0	2·0
18—51	Makerere—Completion of Post-graduate Hostel	18·91	0·3	0·3
18—42	Makerere—New Post-graduate Accommodation	18·91	3·0	3·0
18—43	Makerere—Minor improvements to Existing Halls	18·91	0·5	0·5
18—44	Medical School Hostel	18·91	1·0	1·0
18—45	Makerere—Senior Staff Housing	18·91	7·5	2·8
18—46	Makerere—Essential Ancillary Staff Housing	18·91	4·0	1·6
18—35	Centre for Continuing Education—Makerere	18·89	4·0	4·0
18—36	Centre for Continuing Education—Other Centres	18·89	2·0	2·0
	TOTAL		328·0	235·3
MINISTRY OF HEALTH				
17— 1	Health Education Centre and related facilities at District Hospitals	17·5	2·8	0·2
17— 3	Regional Institutional Rehabilitation Units	17·8	0·5	0·5
17— 4	Smallpox Eradication	17·10	0·6	0·6
17— 5	Tuberculosis Eradication	17·10	0·9	0·9
17— 7	Expansion of Vector Control Division	17·14	0·2	0·2

LIST OF GOVERNMENT DEVELOPMENT PROJECTS—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
			Shs. m.	*Shs.* m.
MINISTRY OF HEALTH—*cont.*				
17— 6	Malaria Eradication	17·15	1·7	1·7
17—43	Community Health Training Centre—Demonstration Areas	—	0·2	0·2
17— 8	Rural Hospitals, Phase I ..	17·29	0·5	—
17— 9	Rural Hospitals, Phase II	17·29	13·2	13·2
17—10	Rural Health Centres	17·32	56·2	39·0
17—11	Kampala District Hospital	17·36	50·0	30·0
17—12	Establishment of Radiotherapy Unit Phase I at Mulago	17·37	3·2	—
17—13	Establishment of Haemodialysis Unit at Mulago	17·37	0·2	—
17—14	Equipment for Specialised Units at Mulago	17·37	1·6	0·8
17—15	District and Other Urban Hospitals ..	17·42	70·0	40·0
17—16	Medical Stores Headquarters	17·45	4·0	1·2
17—17	Regional Medical Stores	17·45	3·0	3·0
17—18	Expansion of Government Pharmaceutical Plant	17·46	0·6	0·6
17—20	Establishment of Medical Vehicles and Equipment Workshop	17·47	1·6	1·6
17—21	Additional Vehicles for the Ministry of Health	17·47	1·3	1·3
17—22	Replacement of Hospital Equipment ..	17·47	5·0	5·0
17—19	Central Pathological Laboratory and Blood Transfusion Unit	17·48	0·8	0·2
17—23	Miscellaneous alterations and repairs to medical establishments	17·49	5·0	5·0
17—24	Capital Grants for Mission Health Services	17·52	10·0	5·0
17—25	Expansion of Mbale and Fort Portal Medical Assistants Schools	17·60	1·3	1·3
17—26	Gulu Medical Assistants School ..	17·60	1·2	1·2
17—27	Completion of expansion of Enrolled Nursing/Midwifery Schools at Jinja, Masaka, Gulu, Lira, Mbarara	17·61	1·6	1·6

LIST OF GOVERNMENT DEVELOPMENT PROJECTS—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
MINISTRY OF HEALTH—*cont*			*Shs. m.*	*Shs. m.*
17—28	New Enrolled Nursing/Midwifery Schools at Arua, Soroti and Kabale ..	17·61	3·4	3·4
17—29	New Enrolled Nursing/Midwifery School at Mbale	17·61	1·8	1·8
17—30	Enrolled Nursing Schools at Bombo, Moroto, Tororo	17·61	2·7	2·7
17—31	Comprehensive Nurse Training Pilot Scheme, Jinja	17·63	0·5	—
17—32	New Registered Nurse Training School ..	17·64	4·0	4·0
17—33	Registered/Enrolled Mental Nursing School	17·65	3·4	3·4
17—34	Health Visitors Diploma Course	17·69	0·1	0·1
17—35	New Assistant Health Visitors Schools at Kampala, Arua, Gulu and Jinja ..	17·70	1·0	1·0
17—36	Expansion of School of Hygiene, Mbale and Nakasero Annex	17·71	5·3	5·3
17—42	Completion of Public Health Dental Assistants Training School	17·72	0·6	0·6
17—37	Medical Technical Training Centre, Mulago	17·75	5·8	5·8
17—38	New Entomological Field Assistants School, Mbale	17·75	0·5	—
17—39	New School for Medical Records Officers ..	17·76	0·4	—
17—40	Joint Health Tutor Training College ..	17·78	0·8	0·8
17—44	Miscellaneous Equipment for Training Schools	17·83	0·5	0·5
	TOTAL ..		268·0	183·7

LIST OF GOVERNMENT DEVELOPMENT PROJECTS—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
MINISTRY OF CULTURE AND COMMUNITY DEVELOPMENT			*Shs.* m.	*Shs.* m.
20— 1	Community Centres	20·8	7·5	3·0
20— 2	Assistance for Self-Help Activities ..	20·10	20·0	10·0
10—26	NUYO Agricultural Settlement Schemes, Bunyoro	10·45	4·0	2·0
20— 3	NUYO Training Programmes	20·14	2·8	0·8
20— 4	NUYO Revolving Loans Fund ..	20·14	0·2	0·1
20— 5	Remand Homes	20·19	2·5	2·5
20— 6	Approved Schools	20·19	1·0	0·5
20— 7	Kampiringisa Approved School	20·19	0·1	0·1
20— 8	Vocational Rehabilitation	20·20	5·0	5·0
20— 9	Refugee Settlement	20·21	16·0	16·0
16— 7	Lake Nakivali Water Supply, Phase I ..	16·13	4·0	4·0
20—10	Expansion of Nsamizi Training Centre ..	20·22	0·6	0·3
20—11	Department of Antiquities—New Headquarters	20·26	0·6	—
20—12	Development of Historical Sites ..	20·26	0·5	0·5
20—13	Development of Museums	20·27	0·5	0·1
20—14	Public Libraries—Central Store and Office Facilities	20·28	0·8	0·8
20—32	National and Regional Library Buildings ..	20·28	3·2	0·5
20—15	Public Libraries—Books	20·28	1·0	1·0
20—16	Development of Sports Facilities ..	20·29	10·0	5·0
	TOTAL ..		80·3	52·2
MINISTRY OF WORKS AND HOUSING				
14— 1	Completion of on-going construction work —Bitumen roads	14·20	50·0	50·0
14—10	Completion of on-going construction work —Gravel I	14·21	14·9	14·9
14—20	Completion of on-going construction work —Gravel III	14·20	20·7	20·7

LIST OF GOVERNMENT DEVELOPMENT PROJECTS—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
MINISTRY OF WORKS AND HOUSING—*continued*			Shs. m.	Shs. m.
14— 2	Fort Portal–Kichwamba Road	14·21	4·2	2·6
14— 3	Kyenjojo–Kagoragoro Road	14·21	2·8	2·8
14— 4	Kyenjojo–Mityana Road	14·21	64·0	64·0
14— 5	Hoima–Masindi–Kafu Bridge Road ..	14·21	30·4	30·4
14— 6	Lira–Soroti Road	14·21	31·0	—
14— 7	Kampala–Entebbe Road	14·21	20·0	5·0
14— 8	Kampala–Mukono Road	14·21	7·0	7·0
14—13	Busia–Buwayo Road	14·21	6·7	6·7
14—11	Kyenjojo–Hoima Road	14·21	14·8	—
14—12	Pakwach–Arua–Vurra Road	14·21	20·6	20·6
14—14	Kyotera–Mutukula Road	14·21	8·6	—
14—15	Kabale–Katuna Road	14·21	10·5	5·9
14—16	Bunanyo–Katera Road	14·21	6·4	—
14—17	Teranyi Swamp Crossing	14·21	7·6	7·6
14—18	Masindi–Kyabatwa Road	14·21	9·6	—
14—19	Moyo–Adjumani–Atiak–Gulu Road ..	14·21	22·4	7·5
14—21	Karuma Bridge–Olwiyo Road	14·21	3·5	—
14—22	Muyembe–Kapchorwa–Suam Road ..	14·21	27·8	10·0
14—23	Kichwamba–Bundibugyo Road ..	14·21	16·8	—
14—24	Moroto–Kotido–Kalepo Road	14·21	21·4	5·0
14—25	Kitgum–Kopoth Road	14·21	12·2	—
14—26	Hoima–Kakumiro–Mubende Road ..	14·21	8·3	4·4
14—29	Access and Feeder Roads	14·26	45·0	22·5
14—32	Rehabilitation of Jinja–Iganga Road ..	14·20	1·8	1·8
14—33	Rehabilitation of other bitumen roads ..	14·30	22·5	6·7
14—35	Rehabilitation of gravel main roads ..	14·30	28·8	8·4
14—52	Construction of bridges	14·32	15·0	2·0
11—17	Expansion of Central Materials Laboratory	11·101	4·0	2·0
19— 2	Establishment of Ntinda Housing Estate ..	19·11	8·0	8·0
21— 3	Minor Repairs and Improvements to pool and Institutional Housing ..	21·17	3·5	3·5
21— 4	E.A. Community Housing—Site Development	21·17	8·0	8·0

List of Government Development Projects—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
			Shs. m.	Shs. m.
Ministry of Works and Housing—*continued*				
21—7	Minor repairs and improvements to Government buildings	21·23	4·0	4·0
14—50	Miscellaneous vehicles, plant, equipment for general Government use	14·83	15·0	8·0
14—30	Survey, Design, and Supervision of Roads and Bridges	14·33	30·0	30·0
21—60	Improvements to Government Stores ..	21·33	1·1	1·1
	Total ..		630·9	371·1
Ministry of Power and Communications				
14—34	Entebbe Airport—Completion of New Runway	14·45	35·0	35·0
14—35	Entebbe Airport—Parking Apron ..	14·45	13·0	13·0
14—36	Entebbe Airport—Air Traffic Control Tower and Console	14·45	2·8	2·8
14—37	Entebbe Airport—Night Stop Apron, Hangars and Taxiways	14·45	2·0	2·0
14—38	Entebbe Airport—Standby Generator and Ground Equipment	14·45	2·6	2·6
14—39	Entebbe Airport—Fire Service Equipment	14·45	1·6	1·6
14—41	Entebbe Airport—Access Road to Parking Apron	14·45	0·5	0·5
14—51	Entebbe Airport—New Lake Launch ..	14·45	0·8	0·8
14—42	Entebbe Airport—New Terminal Building	14·47	50·0	50·0
14—43	Forward Planning/Minor Works—International Airfield in Northern Region ..	14·51	0·5	0·5
14—44	Kasese Airfield—Improvements to Runway	14·52	1·0	1·0
14—45	Jinja Airfield—Improvements to Runway ..	14·52	1·0	—
14—46	Extension of Kidepo Airfield	14·52	0·1	0·1
14—54	New Lira Airfield	14·52	0·1	0·1
14—47	Improvements of fire services at internal airfields	14·52	0·2	0·2
14—40	Provision of radio beacons at internal airfields	14·52	0·1	0·1
14—48	East African Flying School, Soroti ..	14·53	8·4	8·4
14—49	Kalangala—Buvuma Island Ferry ..	14·66	0·1	0·1
	Total ..		171·6	170·6

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
MINISTRY OF LABOUR			£Sh. m.	£Sh. m.
6—1	Trade Testing Centre	6·40	1·0	1·0
6—2	Occupational Health and Hygiene Section and Factories Inspectorate—New Premises	6·45	1·5	1·5
6—3	Miscellaneous Equipment and Vehicles for Labour Services	6·45	2·0	1·0
16—21	Completion of Vocational Training Centre, Kampala	16·40	2·1	2·1
16—22	Vocational Training Centre, Jinja	16·40	9·9	9·9
	TOTAL ..		16·5	15·5
MINISTRY OF INFORMATION AND BROADCASTING				
20—17	Institutional Housing for Broadcasting Staff	20·34	2·0	1·2
20—18	Broadcasting Training Programme—Equipment	20·33	0·3	—
20—19	Expansion of Medium-Wave Broadcasting System—Phase I	20·39	4·4	4·4
20—20	Expansion of Medium-Wave Broadcasting System—Links to Transmitters	20·39	2·9	2·9
20—21	Expansion of Medium-Wave Broadcasting System—Phase II	20·39	2·6	2·6
20—22	Expansion of Medium-Wave Broadcasting System—Phase III	20·39	7·0	7·0
20—23	External Broadcasting Service	20·41	16·0	16·0
20—24	New Radio Studio	20·42	0·7	0·7
20—25	Equipment for Outside Radio Broadcasting	20·42	0·2	0·2
20—26	Television Expansion—Phase I	20·46	10·0	10·0
20—27	Television Expansion—Technical Rationalisation of Phase I	20·46	3·8	3·8
20—28	Television Expansion—Phase II	20·46	14·6	2·5
20—29	Improvements to TV Centre and Purchase of TV Equipment	20·47	5·0	3·0
20—30	Outside TV Broadcasting Unit	20·49	2·0	—
20—31	Teleprinters for District Information Centre	20·51	1·3	1·3
	TOTAL ..		72·8	55·6

LIST OF GOVERNMENT DEVELOPMENT PROJECTS—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
MINISTRY OF INTERNAL AFFAIRS			*Shs. m.*	*Shs. m.*
21—9	Police Housing—Inspectors	21·30	12·0	7·4
21—10	Police Housing—Other Ranks	21·30	77·2	49·6
21—11	Police Housing in Remote Areas—Gazetted Officers	21·30	1·2	1·2
21—12	Police Housing—Entebbe Airport Security Force	21·30	1·1	0·5
21—13	Up-grading of Police Posts to Police Stations	21·31	6·7	—
21—14	Establishment of New Police Posts	21·31	3·5	3·5
21—15	Extensions and Improvements to Existing Police Posts	21·31	2·9	2·9
21—16	District Police Headquarters, Kapchorwa	21·31	1·7	—
21—17	Police Station, Kasese	21·31	1·5	1·5
21—39	Miscellaneous Repairs and Improvements to Police Buildings	21·31	5·0	5·0
21—18	Police Force—Office Facilities and Furniture	21·32	3·6	2·5
21—19	Expansion of Police Airwing	21·32	3·4	3·4
21—20	Expansion of Police Dog Section	21·32	1·2	0·6
21—22	Police Force—Radio Communications Equipment	21·32	1·9	1·9
21—23	Police Force—Vehicles and Central Mechanical Workshop	21·32	20·0	15·0
21—24	Provision of Offices and Housing for Immigration Department	21·33	2·0	2·0
21—21	Expansion of Offices and Facilities for the Government Chemist	21·32	1·0	1·0
10—18	Mubuku Prison Farm	10·39	10·0	5·0
10—27	Development of other Prison Farms	10·46	12·0	10·0
10—60	Kenaf Development	10·102	17·0	12·0
11—13	Prisons Industries Development	11·72	10·0	10·0
21—25	Prisons Service—Senior Staff Housing	21·38	4·9	4·0
21—26	Prisons Service—Junior Staff Housing	21·38	50·0	34·8

LIST OF GOVERNMENT DEVELOPMENT PROJECTS—*continued*

Project Code No.	Project Title	Chapter and Paragraph No. in Plan	Allocation in Plan (i.e. "Bank")	High Priority Allocation
MINISTRY OF INTERNAL AFFAIRS—*continued*			*Shs.* m.	*Shs.* m.
21—27	New Large Prisons ..	21·39	27·0	13·5
21—28	Regional Women's Prisons	21·39	5·5	3·7
21—29	Kikunguri Prison, Kigezi ..	21·39	3·0	3·0
21—30	Miscellaneous Extensions and Improvements at Existing Prisons	21·39	5·0	5·0
21—31	Remand Prisons	21·39	3·1	1·6
21—32	Integration of District Administration Prisons into Uganda Prisons Service ..	21·40	20·0	4·0
21—33	Improvements to Water Supplies and Sewage Works at Existing Prisons ..	21·41	6·0	6·0
21—34	Electrification of Prisons and Staff Quarters	21·41	2·5	2·5
21—35	Prisons Service—Staff Amenities ..	21·41	1·5	1·5
21—36	Prisons Service—Additional Vehicles ..	21·41	3·1	2·0
21—37	Prisons Service—Telephone and Radio Communications	21·41	1·5	1·5
21—38	Prisons Armouries	21·41	0·2	0·1
	TOTAL ..		328·2	218·2

RECONCILIATION OF 1971/72 DEVELOPMENT ESTIMATES WITH PLAN III PRIORITY DEVELOPMENT EXPENDITURE

1. For a number of reasons, the treatment and allocation of development expenditure differs between the definitions used in the Plan, and those in the Budget. Whilst arrangements are being made to remove these anomalies, Table A—II presents the 1971/72 development expenditure estimates in the form which permits immediate comparison with the Plan, and relates the 1971/72 estimates to the high priority spending specified in the Plan.

2. Column 1 of Table A—II presents the Estimates of Development Expenditure 1971/72, according to the Supply Vote and Consolidated Fund Services.

3. Column 2 re-arranges Column 1 to correspond to the Plan definitions of expenditure. The items of expenditure affected by this reclassification are:—

(*a*) all expenditure which the Plan treats as a contribution to L.I.F. is deducted from the relevant Ministerial allocation, and entered under Ministry of Finance and Planning—Contributions to Government Corporations;

(*b*) all those purchases of vehicles which the Plan treats as the responsibility of the Ministry of Works and Housing have been allocated to that Ministry;

(*c*) all expenditure on pool housing has been allocated to the Ministry of Public Service and Cabinet Affairs;

(*d*) all expenditure on the expansion of Government offices has been allocated to the Office of the President;

(*e*) all payments in respect of contractor finance and similar agreements have been deleted;

(*f*) Statutory Expenditure has been allocated to the Ministry of Finance and Planning;

(*g*) all expenditure for which no explicit provision has been made in the Plan, but which is regarded as part of the Plan, has been transferred to the unallocated balance item. This includes expenditure in respect of reimbursements; forward planning; payments for the compensation of land; and expenditure on the Armed Forces;

(*h*) an estimate is included (under Ministry of Finance and Planning—Contributions to Government Corporations) for the purchase of shares in those companies in which Government is participating.

4. Column 3 of Table A—II corresponds to the entry in Table VIII—3, Chapter Eight.

5. Column 4 of Table A—II corresponds to column 5 of Table A—I.

6. Column 5 of Table A—II represents the degree of financial implementation of the Plan III in its first year, by expressing column 3 (i.e. Plan III Development Expenditure Estimates 1971/72) as a ratio of Column 4 (i.e. Plan III High Priority Spending 1971/72–1975/76).

TABLE A—II

1971/72 DEVELOPMENT EXPENDITURE ESTIMATES AND PLAN III PRIORITY SPENDING

MINISTRY VOTE	1 1971/72 Development Expenditure Estimates	2 Re-organisation, Addition and Deletion of Expenditure	3 Estimated Plan III Development Expenditure 1971/72 (i.e. 1+2)	4 High Priority Allocation	5 Column 3 / Column 4 %
	Shs. '000	*Shs. '000*	*Shs. m.*	*Shs. m.*	
President's Office	1,401	+499	1·9	24·0	7·9
Judiciary	—	—	—	13·4	—
Public Service and Cabinet Affairs	5,001	+480	5·5	40·0	13·8
Local Administrations ..	13,304	−13,188	·1	5·0	2·0
—Contribution to LALF ..	—	—	—	57·0	—
Foreign Affairs	6,600	−6,000	·6	3·0	20·0
Attorney-General's Chambers	54	−44	(·010)	·1	10·0
Finance and Planning ..	1,653	+2,560	4·2	43·2	9·7
—Contribution to L.L.F. ..	40,104	+98,949	139·1	624·2	22·3
Agriculture and Forestry ..	50,841	−929	49·9	225·3	22·1
Animal Industry, Game and Fisheries	49,977	−1	50·0	268·3	18·6
Commerce and Co-operatives	16,793	−9,842	7·0	16·1	43·5
Industry	2,821	—	2·8	29·6	9·5
Tourism	4,764	−4,764	—	—	—
Mineral and Water Resources	23,819	−8,180	15·6	98·4	15·9
Education	43,370	−892	42·5	235·3	18·1
Health	19,094	—	19·1	183·7	10·4
Culture and Community Development	7,653	−158	7·5	52·2	14·4
Works and Housing ..	81,955	−10,333	71·6	371·1	19·3
Power and Communications ..	15,541	—	15·5	120·8	12·8
Information and Broadcasting	10,614	−2,101	8·5	55·6	15·3
Labour	1,521	—	1·5	15·5	9·7
Internal Affairs	20,024	−2,650	17·4	218·2	8·0
Defence	160,000	*160,000*	—	—	—
Statutory Expenditure ..	2,660	−2,660	—	—	—
Unallocated Balance ..	—	+172,555	172·6	500·0	34·5
TOTAL ..	579,564*	+53,301	632·9	3,200·0	19·8

Footnote: 1. * Corresponds to the estimate of development expenditure in the 1971/72 Financial Statement.

APPENDIX III

SUMMARY OF MAJOR ADMINISTRATIVE TASKS, REVIEWS AND STUDIES TO BE CARRIED OUT DURING PLAN III

1. A considerable number of legislative and administrative measures will be undertaken as part of the implementation process of the Plan. Several reviews and studies will also be carried out to provide guidance to Government for future policy decisions. The purpose of this Appendix is to summarise in one convenient place all the specific major issues of this kind which are identified in the Plan.

2. The tasks, reviews and studies are listed under the Ministry primarily responsible for ensuring their initiation and implementation. This will contribute significantly to the demarcation of Ministerial responsibility in the process of Plan implementation. In several cases, however, it is natural that Ministries and organisations other than these specified will also participate actively in the work that will be undertaken. This will be particularly so in the case of the Ministry of Finance and Planning, in view of the financial implications of many of the measures that are to be implemented, and in view of the supervisory responsibilities of the Ministry in the implementation of the Plan.

3. The summary list is not a comprehensive statement of all Government's intentions in the field of policy, legislation, administration and investigation. In the first place, the list is not a summary statement of Government's national development policies contained in the Plan. Second, only those legislative enactments and administrative reforms of immediate concern to Plan implementation are included in the Plan, and thus listed in this Appendix. Further, although the Plan describes measures which will be taken to improve the staffing position of a number of Ministries and Departments, only the most urgent of these measures are listed here. Fourth, the list excludes research and investigation work which many Ministries are carrying out on a continuing basis (for example water investigations, mineral explorations and statistical surveys). Finally, the list excludes specific investigations and pre-investment studies (some of which are mentioned in the Plan) to be carried out as part of the regular process of project identification and appraisal, although more general programme and sector studies are included.

Title	*Chapter and Para. No.*
OFFICE OF THE PRESIDENT	
1. Review of certain features of the Treaty for East African Co-operation	4.23
2. A review of the future development of Government properties at Entebbe	21.21
JUDICIARY	
1. A review of the organisation of the Judicial System	21.44
MINISTRY OF PUBLIC SERVICE AND CABINET AFFAIRS	
1. Establishment of Ugandanisation programmes for Ministries ...	6.14 21.8
2. Review of Government housing policy	19.19 21.15
3. Full-scale salaries review	21.18

Title	*Chapter and Para. No.*
MINISTRY OF LOCAL ADMINISTRATIONS	
1. Review of financial responsibilities of district administrations	8.62
2. Improvements to budgeting practices of local authorities	9.32
3. Rationalisation of official schedule of urban areas	9.33
4. Rationalisation of role and functions of District Team/Planning Committees	9.39
5. Establishment of local development committees	9.40
ATTORNEY-GENERAL'S CHAMBERS	
1. Introduction of compulsory registration of births and deaths	5.22
MINISTRY OF FINANCE AND PLANNING	
1. Establishment of the Price Advisory Committee	1.93
2. High-level Manpower Survey	6.10
3. Preparation of an integrated rural services programme ...	7.27
4. A study and the establishment, of criteria for the regional distribution of social services	7.34
5. Identification of urban growth centres	7.52
6. Reconciliation between the plan and budget concepts of development expenditure	8.6
7. Study of the impact of development expenditure on recurrent expenditure	8.21
8. Preparation of UNDP Country Programme	8.48
9. Introduction of guidelines for project appraisal	9.13
10. Introduction of project progress reporting scheme	9.16
11. Initiation of annual planning	9.18
12. Introduction of planning and programming budgeting ...	9.19
13. A review of the effectiveness of technical assistance	9.23
14. Introduction of regional allocations of Government expenditure	9.26 9.32
15. Initiation of plans for districts and special areas	9.28 9.30
16. An examination of the possibilities of harmonising Government and local authorities fiscal years	9.32
17. Harmonisation of an inter-Ministerial work programme for regional planning	9.36
18. Initiation of annual investment programmes of Government corporations	9.43

Title	*Chapter and Para. No.*
MINISTRY OF FINANCE AND PLANNING—*continued*	
19. Review of agriculture and livestock research facilities and programmes (National Research Council)	10.52
20. National Census of Agriculture 1973	10.60 21.54
21. Study of inter-industry linkages	11.19
22. Preparation of an Investors' Guide	11.22
23. The oil pipeline and refinery study	11.70 14.72 15.3
24. Simplification of foreign exchange control regulations for tourists (with Bank of Uganda)	12.36
25. Establishment of Uganda Development Bank	13.47
26. Examination of the possibility of establishing a re-insurance corporation	13.56
MINISTRY OF AGRICULTURE AND FORESTRY	
1. Strengthening of the Planning Unit	9.8 10.148
2. A review of the agricultural mechanisation programme ...	10.14
3. Establishment of the Division of Ox-Cultivation in the Department of Agriculture	10.16
4. Evaluation of rural credit programme	10.24
5. A review of the effectiveness of subsidy programmes ...	10.28
6. A study of district and sub-district crop storage requirements	10.33
7. A study of farm incomes	10.36
8. Establishment of a Division of Irrigation, Swamp Reclamation, Drainage and Land Planning in the Department of Agriculture	10.47
9. A review of the management and operations of bush clearing units	10.49
10. A study of integrated agricultural development in the cotton growing areas	10.65
11. Establishment of a research-extension co-ordination unit in the Information and Visual Aids Centre	10.67
12. Integration of District Farm Institutes and Rural Training Centres	10.78 20.6
13. Establishment of Cotton Production Unit in the Department of Agriculture	10.85

Title		*Chapter and Para. No.*
	MINISTRY OF AGRICULTURE AND FORESTRY—*continued*	
14.	Establishment of cotton production targets by sub-counties ...	10.85
15.	Preparation of long-term plan for wheat growing	10.107
16.	Preparation of long-term forestry plan	10.117
17.	Introduction of annual work programmes for extension staff ...	10.147
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APPENDIX IV

THE 1966–1981 PERSPECTIVE PLAN

1. Development is a long-term process. The Uganda community certainly aspires to a number of goals which cannot be achieved (or where achievement cannot be assessed) over a five-year period, and many of the proposals in Plan III are expected to yield results only in subsequent periods. Moreover, the full execution of some of the proposals themselves extend beyond the limits of the Plan. For these reasons national development planning for a short period such as five years gains considerably in realism and purposefulness if it is placed in the context of an appropriate long-term perspective.

2. A brave and commendable attempt to do this was made in the formulation of the Second Five-Year Development Plan. Indeed that Plan was explicitly stated to be the first phase of a long-term plan whose basic aim was to "double the monetary income per capita" between 1966 and 1981, in real terms. This target was translated into growth targets for total Gross Domestic Product during the three component five year periods of the long-term plan. An attempt was even made to project certain aspects of the structure of the Uganda economy in 1981. For various reasons, it is now considered totally unrealistic to retain the main features of this "perspective plan", and accordingly, Plan III, in its entirety, is not part of any overall perspective Plan.

3. In the first place, the Second Five-Year Plan falsely identified "real monetary income" with "real monetary gross domestic product" (GDP). The growth in these two magnitudes is the same only if there is no change in the country's external terms of trade (and if net factor income payments abroad are growing at the same rate as GDP at current prices). In view of Uganda's recent experience, and the almost universal experience of other economies similar to Uganda's, it appears over-optimistic to assume that there will not be at least a slight deterioration in our external terms of trade over the coming decade or so. Thus, even if the perspective target growth rate of real per capita income *monetary GDP* is attained, it is more likely that this would result in a less than equivalent growth in real per capita *monetary income*. In addition, there is no reason why net external factor payments should constitute a constant proportion of current price GDP.

4. Much more important in the formulation of the "perspective plan", it was explicitly assumed that Uganda's population would grow at an average rate of 2·8 per cent per annum over the period 1966–1981. However, according to the results of the 1969 Population Census, a more likely rate of growth of population over that period is around 3·4 per cent per annum. This means that even if the growth of monetary GDP fully reflects the growth in monetary incomes the perspective target growth rates of total monetary GDP are simply insufficient for bringing about a doubling of per capita monetary GDP over the period in question. In other words, because of the much higher revealed growth on population, *per capita* monetary GDP is certain to grow much more slowly than previously assumed, given the perspective growth target of *total* monetary GDP.

5. Finally, the 1966–1981 "perspective plan" has to be assessed in the light of historical performance. Ignoring the possibility of a decline in the terms of trade, and assuming a population growth rate of 3·4 per cent per annum (quite likely an understatement), total monetary GDP in real terms would have to grow at an average annual rate of over 8 per cent between 1966 and 1981 in order to achieve a doubling of monetary per capita income over the period. As discussed in Chapter Two, total monetary GDP is likely to have grown at a rather modest 4–5 per cent per annum during the Second Five-Year Development Plan. The realisation of he original 1981 per capita income target therefore requires total monetary GDP

to grow at the phenomenal average annual rate of 10 per cent per annum, in real terms, between 1971 and 1981. (It needs to be emphasised that this is the growth implied by the most optimistic assumptions regarding population growth and terms of trade). To gear our planning to this rate of growth would be to totally abandon any pretence to realism. During the 1960's, the trend growth of total monetary GDP in real terms has been around 5·5 per cent per annum, and it would be utterly unrealistic to expect a growth rate almost twice as high as this over the coming decade. Economic trends simply cannot be altered in that abrupt manner. Moreover, an average annual growth rate of 10 per cent in total monetary GDP would require such investment rates (more than double those achieved in the past) as would entail an unacceptable sacrifice in the growth of real consumption. It would also require exports to expand at rates quite meaningless in the light of both historical experience and a careful assessment of future prospects.

6. All this points to the imponderable difficulties inherent in any attempt to indicate a useful perspective target in respect of a macro magnitude such as "per capita monetary income" whose realisation depends so much on a host of unpredictable factors. The alternative perspective view adopted in the formulation of Plan III is less ambitious, and it relates primarily to the development of selected sectors where a limited number of specific long-term goals of significant relevance to material advancement can be identified with a reasonable degree of certainty. In the introduction to this Plan, the main perspective targets which have been adopted are set out with a view to providing the context for the Plan III targets and proposals in the sectors to which they relate.

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